

38th
**ANNUAL
REPORT**
2024-2025



FINSERV



Bajaj Finance Corporate
Office, Viman Nagar, Pune

Kamalnayan Bajaj and Sardar Vallabhbhai Patel,
with Gandhiji at Sevagram, Wardha, 1942

BAJAJ FINANCE LIMITED

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Enabling a Better Financial Future

Every day, Bajaj Finance enriches the lives of millions of people in India, enabling them to fulfil their financial needs for a better future. As the country's largest private-sector Non-Banking Financial Company (NBFC), Bajaj Finance serves individuals and businesses alike by offering enhanced and simplified access to a diverse range of financial products, including loans, fixed deposits, payments, insurance, and mutual funds, via App, Web, social media, and across pan-India locations.

We are continuously transforming to meet the diverse financial needs of our customers—evidenced in our innovative products, seamless processes, and smart use of technology to deliver superior experiences.

The most powerful expression of our Bajaj legacy is our focus on financial inclusion and serving society through Environmental, Social and Governance initiatives.

We are accelerating our digital transformation by evolving into a FINAI company. This will enable us to deliver personalised customer experiences, deepen our reach, enhance operational efficiencies, and drive long-term, sustainable growth for our shareholders.

We strive for



Continuous Transformation



Execution Rigour



Openness & Transparency



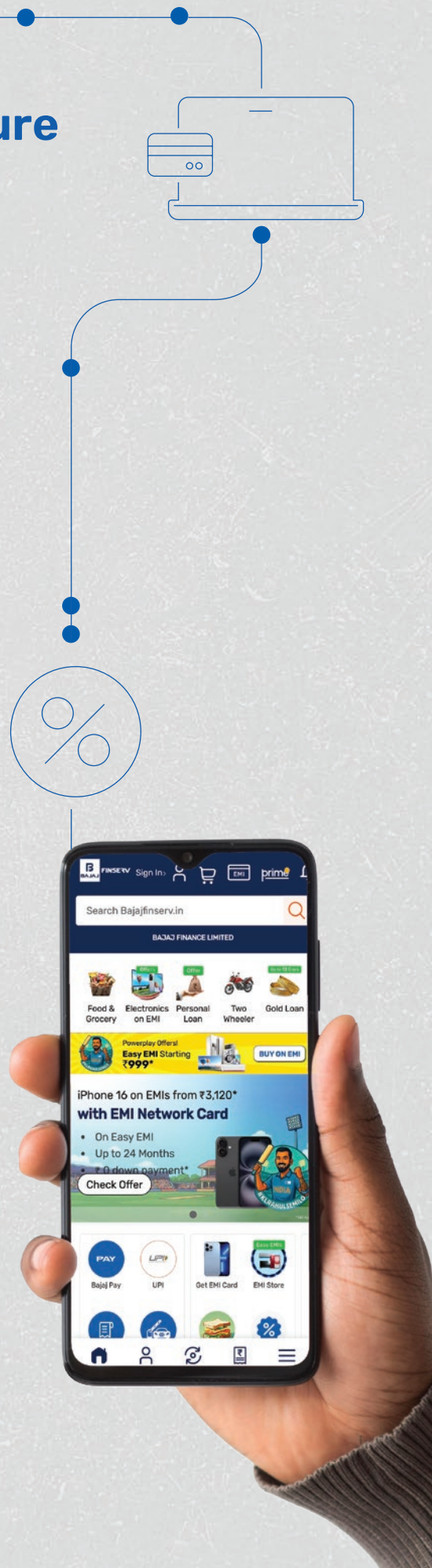
Highest Standards of Compliance and Corporate Governance



Entrepreneurial Zeal



Resilient & Diversified Business Model



FY2025 Highlights

₹416,661
crore
AUM
↑ 26%

₹16,779
crore
PROFIT AFTER TAX
↑ 16%

₹71,403
crore
DEPOSITS
↑ 19%

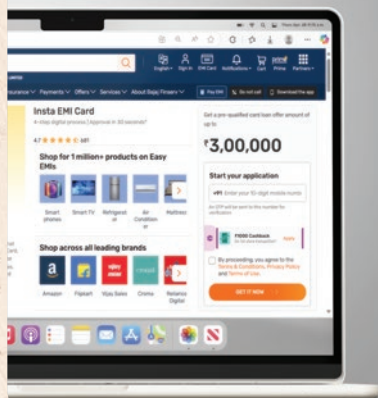
43.4 million
NEW LOANS BOOKED
↑ 20%

4.6% ROA
19.2% ROE

0.96% GNPA
0.44% NNPA

AMONG THE LOWEST IN
THE INDUSTRY

101.8
million
CUSTOMER FRANCHISE



4,263
locations
GEOGRAPHIC
FOOTPRINT



AMONG TOP

5

APPS IN THE FINANCE
CATEGORY ON GOOGLE
PLAYSTORE IN FY2025

70.6
million

NET INSTALLS ON
BAJAJ FINSERV APP



100,000+

STUDENTS
UPSKILLED
THROUGH OUR
BFSI CERTIFICATE
PROGRAMME
TO DATE



₹1,200+
crore

DISBURSED FOR
EV FINANCING



Chairman's Letter



Your Company has further sharpened its visionary blueprint (Long-Range Strategy) and is excited to embark on the journey of transforming BFL into a FINAI company. This transformation will position your Company as a financial AI enterprise, offering a comprehensive AI-based product suite for its 200 million customers by FY2029. By integrating AI across all processes, your Company aims to deliver significant operating leverage, greater customer satisfaction, and higher growth.



Sanjiv Bajaj

Chairman

Dear Shareholder,

I am delighted to share with you the results of yet another year of good operational and financial performance of your Company, Bajaj Finance Limited (BFL). Given below are some performance highlights for FY2025.

- BFL achieved a growth of 26% of its assets under management (AUM) – increasing from ₹ 330,615 crore in FY2024 to ₹ 416,661 crore in FY2025.
- Your Company's customer franchise expanded by 22%, now reaching over 101.82 million customers.
- The number of new loans booked was 43.42 million.
- Net total income (NTI) grew by 24% to ₹ 44,954 crore.
- Pre-impairment operating profit increased by 25% to ₹ 30,028 crore.
- BFL's loan losses provisions for FY2025 were ₹ 7,966 crore, an increase of 72% from ₹ 4,631 crore in FY2024. This was on account of macro-level deterioration, increasing leverage on unsecured loans and rising stress across banking industry.
- Your Company's Profit After Tax (PAT) grew by over 16% in FY2025, rising from ₹ 14,451 crore to ₹ 16,779 crore.
- BFL delivered a Return on Average Assets (RoA) of 4.57% and a Return on Average Equity (ROE) of 19.19% in FY2025.
- Your Company successfully raised approximately US\$ 1 billion of fully hedged External Commercial Borrowings (ECB) as term loans from multiple banks in FY2025.

Let me now turn to the listing of Bajaj Housing Finance Limited (BHFL), hitherto a 100% subsidiary of BFL. BHFL completed its listing in September 2024, a year ahead of timelines stipulated in RBI's Scale Based Regulation. The Initial Public Offer (IPO) saw massive response from both retail and institutional investors and created a record in terms of highest number and amount of bid for any Indian IPO. For the records, it was an IPO of ₹ 6,560 crore, which included the issuance of new equity shares amounting to ₹ 3,560 crore and an offer for sale by your Company amounting to ₹ 3,000 crore. At the time, it was a pathbreaking IPO.

Last year, I shared our blueprint (Long-Range Strategy) for the next decade, which outlines our ambition, strategy, approach, and goals for customer share, market share, and profit share. This blueprint envisions your Company becoming a prominent payments and financial services company in India over the medium term. To achieve these goals, your Company has made steady progress. Below are some key elements that have helped your Company move closer to these goals, while also driving good performance:

- Gold loan business was expanded to 1,209 branches as on 31 March 2025, with an AUM of ₹ 8,307 crore, reflecting a 81% year-on-year growth.
- Launched commercial vehicle financing in Q1 FY2025 and present across 100+ dealers.
- Tractor financing was introduced in Q4 FY2024 and present across 850+ dealers.
- Bharat Mortgages went live in Q2 FY2025.
- Industrial equipment financing was successfully launched in Q3 FY2025.
- Auto lease finance was introduced in Q2 FY2025.
- The Bajaj Finserv App saw 70.57 million net installs, with a 90-day retention rate of 96% and an app rating of 4.78 out of 5. By the end of the FY2025, the app had almost 70.6 million customers.
- Your Company achieved significant digital transformation with 95% digital KYC, 92% e-mandate, and 98% e-agreement, reducing physical documents from 23% to 13%. At the risk of hazarding a guess, this reduced share of physical documents is quite likely to be the lowest among all significant domestic non-banking financing companies.

Your Company has further sharpened its visionary blueprint (Long-Range Strategy) and is excited to embark on the journey of transforming BFL into a FINAI company. This transformation will position your Company as a financial AI enterprise, offering a comprehensive AI-based product suite for its 200 million customers by FY2029. By integrating AI across all processes, your Company aims to deliver significant operating leverage, greater customer satisfaction, and higher growth.

It is time to briefly share with you what your Company is doing on its Financial (FIN) and Artificial Intelligence (AI) initiatives.

FIN initiatives:

- *Accelerating customer acquisition:* Acquire the next 100 million customers for BFL by leveraging strategic partnerships and organic acquisition channels.
- *MSME, the next frontier of growth:* Focus on the unaddressed segments of MSME by leveraging both GST and Udyam registered entities and offer at least 10 products. This will make BFL the pre-eminent choice for MSMEs.
- *Future of Personal Loan:* Create a comprehensive range of personal loan products designed to cater to diverse customer segments across various geographies.
- *Optimize:* Scale auto loan with low credit cost and create a viable payments business.
- *Risk management:* "Back to basics" returning to core principles that assess a borrower's stability, ability, and intent to repay, and to re-emphasize univariate risk-based decision-making and the art of underwriting for prudent risk management.
- *Product strategy:* Invest in new product lines to seize the India opportunity and grow in a sustained manner: (i) leasing multi-product distribution; and (ii) green financing for both solar and EV.

Bajaj Finance is constantly identifying opportunities to utilise AI for revenue, cost-saving, design and engagement, credit, risk, productivity, and controllership. Today, Bajaj Finance's AI strategies may sound futuristic. But it really isn't so.

Company's AI strategies and initiatives:

- *AI for revenue:* This includes conversational bots for engaging experiences across all sales and cross-sell channels.
- *AI for cost reduction:* Increase employee, sales agent, and head office productivity by 1.15x to 2x; automate sales and document management systems with conversational voice bots, and several other allied initiatives.
- *AI for design and engagement:* Transform interactions with digital interfaces, transitioning from traditional grid-based designs to conversation-driven search and chatbots for better customer engagement.
- *AI for risk:* Convert unstructured data into structured data for robust decision-making, identify patterns and generate new features. AI-enabled risk models should have auditability, transparency and be supportive to operating management.
- *AI for credit:* Use AI to support underwriter decisioning, enabling them to create summaries, screen, validate, and generate recommendation reports.
- *AI for productivity:* Improve productivity by enabling AI across the journey of the loan origination system; reducing time in the B2B loan processes, enabling an AI helpdesk, AI-enabled hiring, learning and development, and creating AI-based knowledge repositories.
- *AI for controllership:* Automate all quality assurance processes, internal and external audit processes, audit call recordings and key governance checks.

These are not coming out of an H. G. Wells or Isaac Asimov novel. These are there to be had and leveraged. What it requires is dedicated investment and even more focused organisational level commitment to AI as a tool that can make one move far faster than earlier imagined. We at BFL are steadfast to our AI-driven transformational journey. As I see it today, we will succeed in our path.

Your Company has always been dedicated to complying with all applicable regulations and guidelines while driving business growth across all its business lines. With a dedicated central compliance unit under the aegis of Chief Compliance Officer (CCO), your Company ensures the highest standards of compliance. Additionally, your Company has established specialized compliance units across all business areas and select functions, such as sales, debt management services, and process and technology compliance, to rigorously monitor adherence to regulatory guidelines and organizational policies and processes.

If you will recollect, the Reserve Bank of India (RBI) had imposed restrictions on the sanction and disbursement of loans under 'eCOM' and the 'Insta EMI Card' in the previous financial year. I am happy to inform you that on 2 May 2024 it lifted these restrictions, based on remedial actions taken by your Company.

Given the good performance of your Company, I could be tempted to go on and on. But I shan't. You can read all the details in the detailed chapter on Management Discussion and Analysis that accompanies this report.

However, I must place on record a truly heartfelt statement of gratitude. After years, Rajeev Jain has moved away from the active, hands-on post of Managing Director to being the Executive Vice Chairman of your Company. We, as shareholders, owe Rajeev a great deal for taking Bajaj Finance to where he has – something he did with passionate conviction and without respite right from the word go. Rajeev, on behalf of the shareholders and myself, many thanks for everything.

As on 1 April 2025, Rajeev's position has been taken up by Anup Saha, who has also been a BFL hand with a clear line of sight of what needs to be done for your Company and for shareholder value. I wish Anup the best for his new task and proverbially present him with a 'good luck' mistletoe tree for him to stand under, as he drives your Company yet forward in growth, profits and long-term shareholder value.

Before I conclude, I am pleased to inform you that your Company's Board of Directors has approved a special dividend of ₹ 12 per share (600% of the face value) from the exceptional gain of ₹ 2,544 crore generated by the company from the sale of BHFL shares as part of the IPO listing. This is in addition to recommending a final dividend of ₹ 44 per share (2200% of the face value) for your approval.

Furthermore, I am even more excited to inform you that at its meeting on April 29, 2025, the Board of Directors has, subject to shareholder approval, approved a sub-division of the face value of shares from ₹ 2 to ₹ 1 for fully paid equity shares, as well as the issuance of four fully paid bonus equity shares for every one fully paid equity share.

These actions are our way of expressing gratitude for your unwavering trust and support and underscore our belief in the strength of the Company's fundamentals and our commitment to sharing the rewards of success with our valued shareholders.

My thanks to all your Company's employees for showing what commitment means, and for generating superb results year after year. May we do so yet again.

It is now time to say 'Till We Meet Again'. As always, it has been – and will always be – my honour to serve as your chief fiduciary. And I pray that we continue generating the stellar performance that we have gotten used to.

Yours sincerely,

Sanjiv Bajaj
Chairman

Our Leadership

ATUL JAIN
Managing Director, Bajaj Housing Finance Limited

ANUP SAHA
Managing Director

SANDEEP JAIN
Chief Financial Officer
& Chief Operating Officer

DEEPAK BAGATI
Chief Operating Officer

ANURAG CHOTTANI
Chief Technology Officer
& Chief Operating Officer

SANJIV BAJAJ
Chairman

MANISH JAIN
Managing Director,
Bajaj Financial
Securities Limited

RAJEEV JAIN
Vice Chairman

Corporate Information

Board of Directors

Chairman

Sanjiv Bajaj

Vice Chairman

Rajeev Jain (w.e.f. 1 April 2025)

Independent

Dr. Naushad Forbes
Anami N Roy
Pramit Jhaveri
Radhika Haribhakti
Dr. Arindam Bhattacharya
Tarun Bajaj
Ajay Kumar Choudhary

Non-executive and Non-independent

Rajiv Bajaj

Managing Director

Anup Saha (w.e.f. 1 April 2025)

Audit Committee

Anami N Roy **(Chairman)**

Pramit Jhaveri
Dr. Arindam Bhattacharya
Tarun Bajaj

Stakeholders Relationship Committee

Radhika Haribhakti **(Chairperson)**

Dr. Arindam Bhattacharya
Sanjiv Bajaj

Nomination and Remuneration Committee

Radhika Haribhakti **(Chairperson)**

Anami N Roy
Sanjiv Bajaj

Corporate Social Responsibility Committee

Dr. Naushad Forbes **(Chairman)**

Sanjiv Bajaj
Rajeev Jain

Risk Management Committee

Pramit Jhaveri **(Chairman)**

Ajay Kumar Choudhary
Sanjiv Bajaj
Rajeev Jain
Anup Saha

IT Strategy Committee

Dr. Naushad Forbes **(Chairman)**

Ajay Kumar Choudhary
Rajeev Jain
Anup Saha

Customer Service Committee

Pramit Jhaveri **(Chairman)**

Tarun Bajaj
Sanjiv Bajaj
Anup Saha

Review Committee for Identification of Wilful Defaulter

Anup Saha **(Chairman)**

Anami N Roy
Radhika Haribhakti
Rajeev Jain

Strategic Investment Committee

Pramit Jhaveri **(Chairman)**

Anami N Roy
Radhika Haribhakti
Sanjiv Bajaj
Rajeev Jain

Special Committee for Monitoring and Follow up of cases of fraud

Anami N Roy **(Chairman)**

Tarun Bajaj
Rajeev Jain
Anup Saha

Credit CommitteeAnami N Roy **(Chairman)**

Radhika Haribhakti
Rajeev Jain
Anup Saha

Chief Financial Officer

Sandeep Jain

Company Secretary

R Vijay

Joint Statutory Auditors

Price Waterhouse LLP
Kirtane & Pandit LLP

Secretarial Auditor

Shyamprasad D Limaye

Bankers

State Bank of India
Bank of Baroda
Punjab National Bank
HDFC Bank
ICICI Bank
DBS Bank
Canara Bank
Axis Bank
Deutsche Bank
Union Bank of India

Share Transfer Agent**KFin Technologies Ltd.**

Unit: Bajaj Finance Ltd.
Selenium Building, Tower-B,
Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddi
Telangana – 500 032
Toll Free No.: 1800 309 4001

Email ID: einward.ris@kfintech.comWebsite: <https://www.kfintech.com/>**Debenture Trustee****Catalyst Trusteeship Ltd.**

GDA House, Plot No. 85,
Bhusari Colony (Right),
Paud Road, Pune – 411 038
Tel No.: (020) 6680 7200

Email ID: ComplianceCTL-Mumbai@ctltrustee.comWebsite: <https://catalysttrustee.com/>**Registered Office**

C/o Bajaj Auto Ltd., Akurdi, Pune – 411 035

Corporate Office

4th Floor, Bajaj Finserv Corporate
Office, Off Pune–Ahmednagar Road,
Viman Nagar, Pune – 411 014
Tel No.: (020) 7157 6403

Website: <https://www.aboutbajajfinserv.com/finance-about-us>**CIN: L65910MH1987PLC042961**

Our Business Construct

Ambition

To be a leading financial services company and a viable payments player in India. Dominate with 200 MM consumers, market share of 3%-4% of total credit, 4%-5% of retail credit and 1% of payments GMV



Philosophy

To build businesses with a 10-year view anchored on prudence and risk management to deliver 'through the cycle' 21%-23% shareholder returns



Customer share

To grow our share of customer's wallet by offering all products and services in a frictionless manner and deliver highest Customer Satisfaction (CSAT) Score and Products Per Customer (PPC)



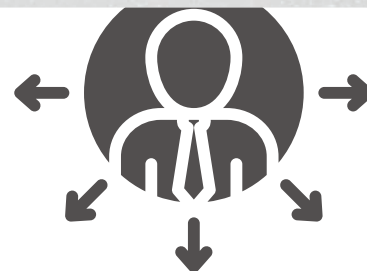
Strategy

To be an omnipresent financial services company dominant across all consumer platforms - physical, app, web, social, rewards and AI



Market share

Every business of the company to be amongst top 5 players in India in each line of business they operate in

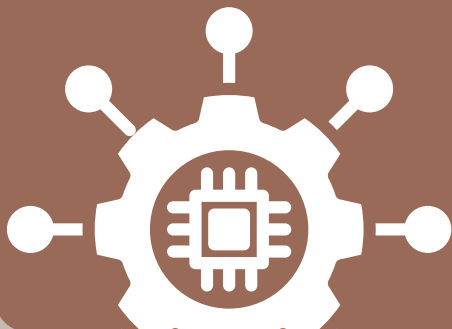


Approach

To acquire & cross-sell across payments, assets, deposits, insurance, investments and broking products to Consumer, MSME, Commercial and Rural consumers across all consumer platforms efficiently

Technology and AI

Technology and AI-first as an organisation culture to solve all problems. Be an early adopter and invest in emerging technologies and data practices. It should result in sustained growth, lower costs, improved productivity, superior customer experience and robust controllership



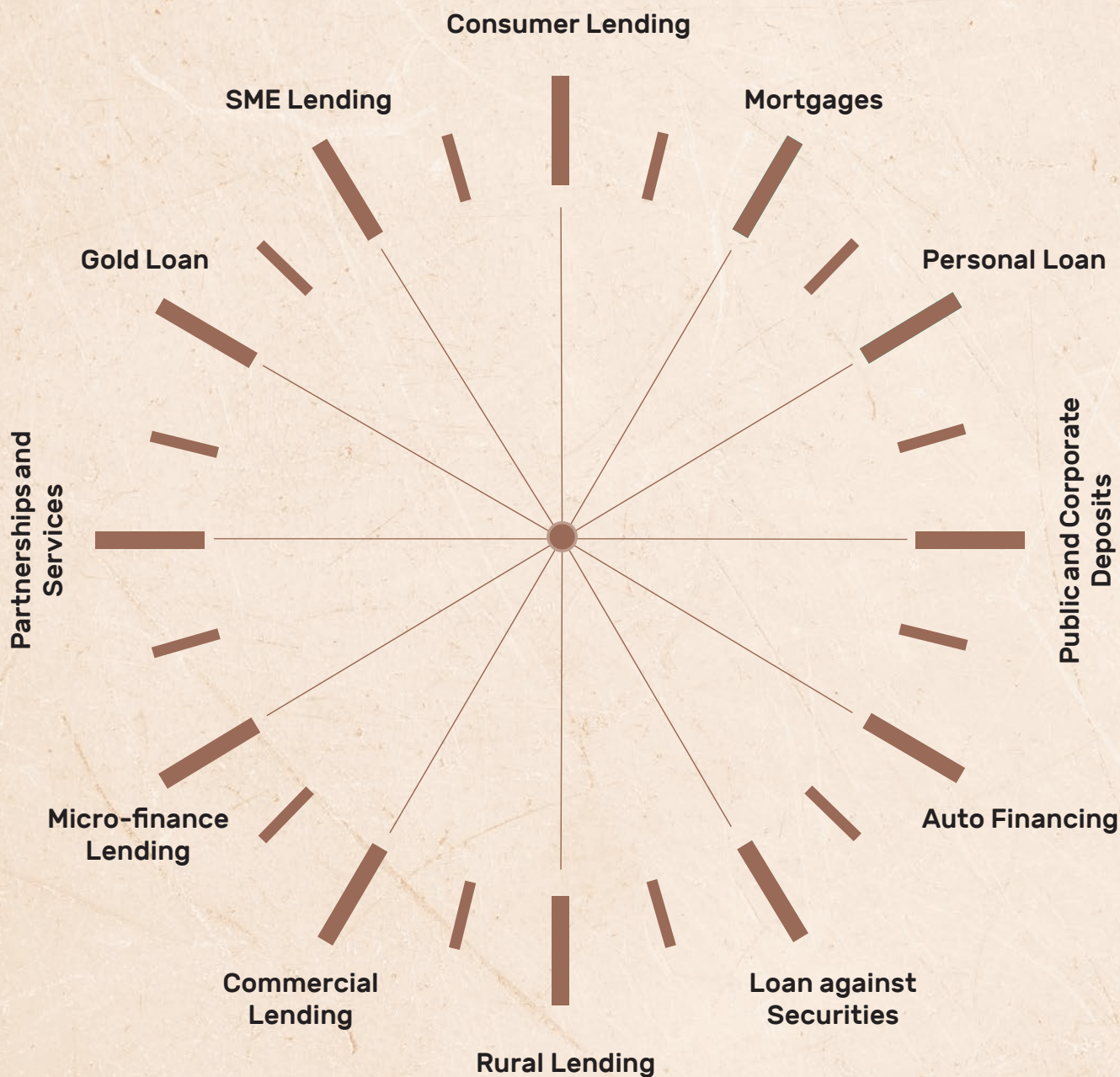
Profit share

To be amongst top 20 most profitable companies in India and amongst top 5 to 6 profitable financial services companies in India in absolute terms

Our Offerings

Products

Diversified financial offerings for every need



Channels

Strong Customer Engagement across App and Web

3.7

million

BFL QRs AT MERCHANT
POS TO DATE



187.4

million

BAJAJ MALL VISITS
IN FY2025



7.7

million

LOAN REPAYMENT
RECEIPTS GENERATED
ON APP AND WEB BY
CUSTOMERS IN FY2025



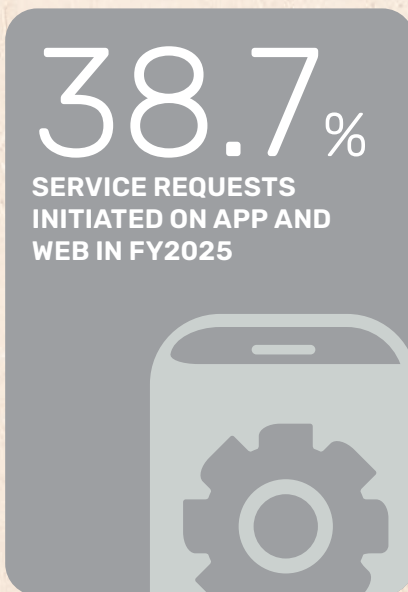
148

CUMULATIVE IN-APP
PROGRAMMES TO DATE



38.7%

SERVICE REQUESTS
INITIATED ON APP AND
WEB IN FY2025



106.4

million

REWARDS ISSUED ON APP
IN FY2025



603

million

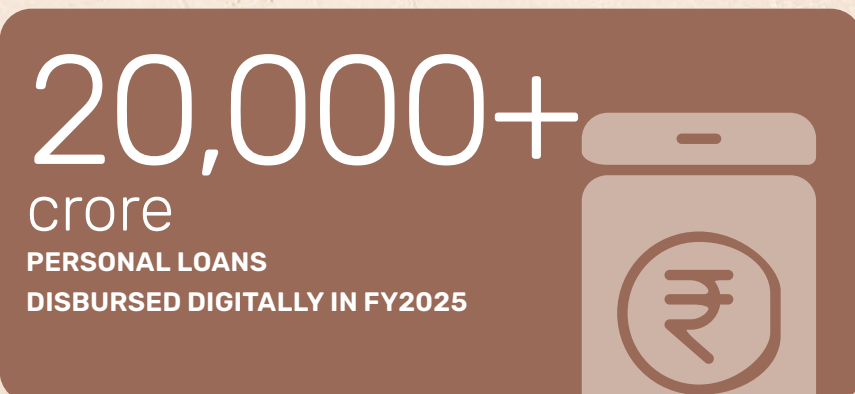
WEBSITE VISITORS
IN FY2025



20,000+

crore

PERSONAL LOANS
DISBURSED DIGITALLY IN FY2025



Continuous Transformation

Our 18-year Journey

Bajaj Finance has undergone remarkable transformation over the last 18 years and has continually evolved to meet the needs of a dynamic India.

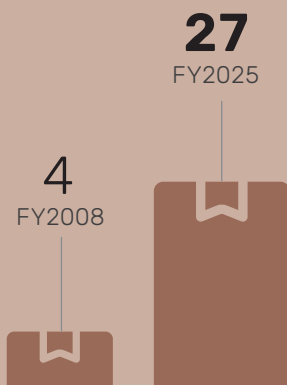
BFL 1.0 (2008–2016)

This phase laid a strong foundation for BFL's growth. It was marked by the introduction of innovative products such as the EMI Card and Flexi Loans, diversifying product lines, expanding geographic footprint, along with the early adoption of cloud technology, data analytics, and decision systems. BFL's journey toward achieving 90% of its computing on the cloud began during this period. The Company's AUM grew significantly from ₹2,478 crore to ₹44,229 crore.

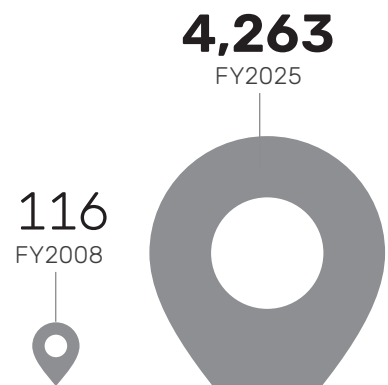
BFL 2.0 (2017–2025)

This phase marked BFL's transition to an omnipresent strategy, driven by a strong focus on platform expansion, new geographies and customer-centric innovation. With accelerated digital adoption, the Bajaj Finserv App ranked among the top five on the Google Play Store. Key digital platforms such as Bajaj Mall and Bajaj Pay were also launched during this period. AUM saw substantial growth, rising from ₹44,229 crore to ₹416,661 crore.

Products



Number of locations



Loans disbursals

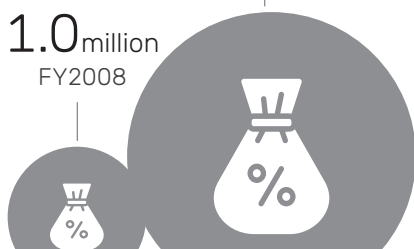
CAGR

25%

43.4million

FY2025

1.0million
FY2008



Customer franchise

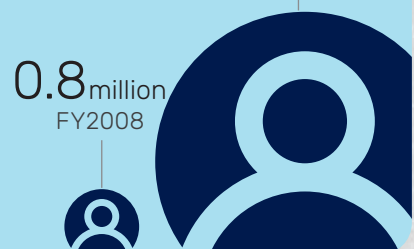
CAGR

33%

101.8million

FY2025

0.8million
FY2008



AUM

₹416,661crore
FY2025₹2,478crore
FY2008

CAGR

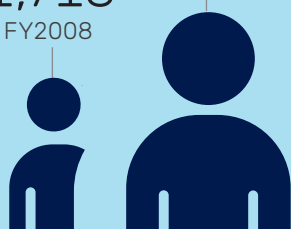
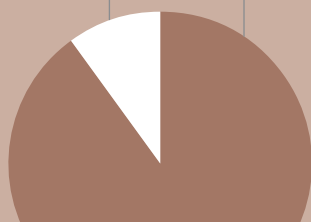
35%



Profit after tax

CAGR

48%

₹16,779crore
FY2025₹21crore
FY2008Number of full-time
employees64,092
FY20251,713
FY2008Market share
of total credit2.25%
FY20250.10%
FY2008

Profit ranking in India

24
FY2025722
FY2008

Continuous Transformation BFL 3.0 - A FINAI Company

We are accelerating our business and digital transformation from a fintech to a financial company that is AI-first. BFL 3.0 will therefore evolve as FIN+AI – a FINAI company.

Our FINancial initiatives, in addition to launch of new products, will focus on scaling auto loans with low credit cost, creating a comprehensive range of personal loans and building a viable payments business.

On the tech front, BFL will be a FINAI company with AI enabled technology architecture, which integrates AI across all its processes to significantly improve customer engagement, grow revenue, reduce Opex, reduce credit costs, enhance productivity and strengthen controllership.

As BFL 3.0 - A FINAI Company, we aim to be a pre-eminent choice which meets all financial services needs of its 200 million customers by FY2029.

75+

AI APPLICATIONS TO BE
DEPLOYED IN FY2026



Strategy ●●●

Next 100 million customers

Strategic partnerships & organic acquisitions

Risk Management

Back to Basics

FIN ● ●

Pre-eminent choice for MSMEs

Next frontier of growth

Product strategy

Green financing & multi product leasing and distribution

AI ● ● ● ● ● ● ● ● ● ●

- Vision AI
- Data AI
- Conversational Voice AI
- Content AI
- Conversational Text AI
- Agentic AI
- Tech AI

Our ESG Priorities

Customer Centricity

Innovate/invest in products, technologies and processes that enhance customer experience and promote professional, fair and transparent dealings



Financial Inclusion

Provide access to relevant and affordable financial products and services that meet the needs of larger society

2.6+ crore

**NEW-TO-CREDIT
CUSTOMERS IN SIX YEARS**



Governance

Conduct and govern business with integrity in a manner that is ethical, transparent and accountable

**BOARD-APPROVED
RESPONSIBLE BUSINESS
CONDUCT AND
SUSTAINABILITY POLICY**

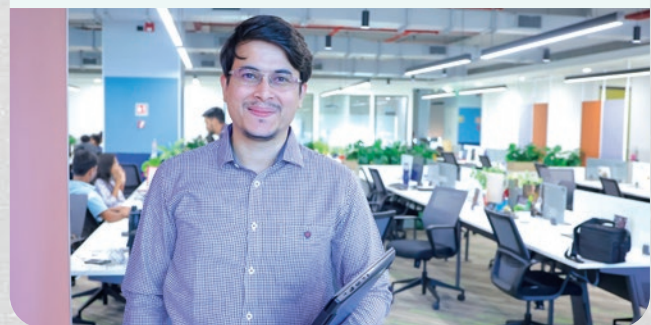


Human Capital Management

Create a thriving, safe and inclusive workplace for employees and provide merit-based opportunities for professional development and growth

16.8%

**EMPLOYEE ATTRITION
AMONGST THE LOWEST IN FINANCIAL
SERVICES**



Preserving and Protecting the Environment

Strive to adopt environmental practices and processes that minimise/eliminate the adverse impact on environment due to Company operations

620+ kilowatt

SOLAR PANELS INSTALLED CAPACITY



Information & Cyber Security

Adopt robust information security, cyber security and fraud control practices



Empowering Society

Promote social welfare activities for inclusive growth, equitable development, and well-being of society

1,294,667

YOUTH AND CHILDREN EMPOWERED THROUGH SEVERAL CSR INITIATIVES



Stakeholder Engagement

Engage with relevant stakeholders for enhancing the sustainable and responsible business practices



Corporate Social Responsibility

Creating a Positive Impact

Backed by a strong legacy of community impact, Bajaj Finserv, through Bajaj Beyond, is dedicated to shaping a better future for the youth of today and tomorrow. Our initiatives are focused on skilling, child education, child health, child protection, and inclusion for Persons with Disabilities (PwDs). We work closely with grassroot organisations, partners, schools, institutions, and hospitals to drive meaningful change in society. In FY2025, we implemented 213 projects with a Corporate Social Responsibility (CSR) spend of ₹289.80 crore.

Skilling for Income Generation to Empower the Youth of Today and Tomorrow

Bajaj Finserv is committed to bridging the skills gap through skilling and employability programmes, self-employment initiatives, and entrepreneurial support, with a focus on youth and women from disadvantaged backgrounds. 'Skillserv', our flagship skilling initiatives aims to bridge the employability gap in the Banking, Financial Services and Insurance sectors (BFSI) by offering comprehensive, industry-relevant training.



46,807

STUDENTS TRAINED FOR SKILLSERV PROGRAMME IN FY2025

147,407

INDIVIDUALS BENEFITTED FROM SKILLING THROUGH GRANT-MAKING PROGRAMMES

Certificate Program in Banking, Finance and Insurance (CPBFI)

CPBFI is our self-implemented skilling initiative that offers a 120-hour module designed to equip youth with the knowledge and skills needed by industry. Remarkably, 68% of CPBFI participants are first-generation graduates, primarily young aspirants from tier 2 and 3 cities, with women making up nearly 61%. Since inception, CPBFI has trained over 100,000 students, including 46,807 in FY2025 alone, reaching 161 districts across 23 states in India.

Bajaj Finserv's Project Odiserv, in collaboration with the Ministry of Skill Development and Entrepreneurship to roll out CPBFI across 60 colleges in 11 cities and 10 districts of Odisha, has been recognised as an awarding body by NCVET, a prestigious endorsement that places CPBFI among a select group of high-quality, industry-driven skill development offerings.

Skillserv is now piloting a new skilling module in niche BFSI segments such as insurance, gold loans, and microfinance, and is actively developing a growing library of digital programmes. Over time, Skillserv aims to create a robust skilling ecosystem - one that leverages Bajaj Finserv's sectoral expertise to unlock economic and social opportunities for underserved youth across the country.

We have partnered with multiple non-profits to deliver a diverse range of training and skilling programmes, ensuring broader access to skill development and employment opportunities.

Note: Beneficiary estimates are based on the full project period and not just the financial year under consideration.

Sector-specific Training Programmes

We support sector-specific training aimed at employment or enterprise by providing targeted skill development through a mix of short- and long-term vocational programmes. Through these, we aim to create meaningful income generation opportunities and bridge the gap between job seekers and industry needs.

24,305

YOUTH SUPPORTED THROUGH SECTOR-SPECIFIC PROGRAMMES

Healthcare Skilling

We are also directing our efforts towards enhancing the capacity of healthcare professionals, especially paramedics and technical staff, through targeted skilling, education and fellowship initiatives. We work towards addressing the needs not only in rural and urban areas but also among tribal communities.

537

INDIVIDUALS SUPPORTED THROUGH HEALTHCARE SKILLING



Skill Development for Persons with Disabilities

Individuals with disabilities, including those with intellectual and developmental challenges such as autism, Down Syndrome, and cerebral palsy, often face limited opportunities in terms of employment. Apart from grants, we also facilitate recruitment of Persons with Disabilities (PwDs) within Bajaj offices.

10,792

INDIVIDUALS WITH DISABILITIES SUPPORTED FOR EMPLOYMENT



Enterprise and Entrepreneurship Development

We support individuals in establishing micro and nano-enterprises, helping them transition into income-generating activities with long-term potential. To drive innovation in the skilling ecosystem, we have also incubated social startups that address critical challenges in employability and vocational training. Additionally, artisan training programmes have been implemented to both preserve traditional crafts and create sustainable livelihood opportunities.

29,440

ENTREPRENEURS SUPPORTED FOR CREATING SUSTAINABLE LIVELIHOODS

Women Empowerment

We are committed to empowering women, especially those from marginalised communities, rural areas and lower socio-economic backgrounds, by equipping them with the skills needed for employment or entrepreneurship. Through diverse training programmes in healthcare, retail, hospitality, artisanal crafts, and food processing, we aim to enable sustainable income generation and foster economic independence. Women are provided training in both traditional and non-traditional roles, expanding their employment opportunities and strengthening their participation in the workforce.

17,934

WOMEN SUPPORTED FOR EMPLOYMENT AND ENTREPRENEURSHIP



Children: Comprehensive Approach to Development

Investing in children's well-being is essential for long-term societal progress. We support initiatives in child health, education, protection, and inclusion for persons with disabilities, ensuring a holistic impact on their development.

32,244

SUPPORTED THROUGH HEALTH INTERVENTIONS

540,648

BENEFITTED FROM EDUCATION-RELATED INITIATIVES

43,075

SUPPORTED UNDER CHILDREN PROTECTION

484,486

PERSONS WITH DISABILITIES WERE SUPPORTED

Note: Beneficiary estimates are based on the full project period and not just the financial year under consideration.

Child Health

We are committed to providing holistic care for children under 18 years facing critical health conditions through a combination of medical and surgical support, infrastructure enhancement, and community awareness. We specifically focus on care for children with cleft lip and palate, heart diseases, paediatric cancer, Type 1 diabetes and epilepsy. Our interventions focus not only on treatment and surgeries but also on early diagnosis, community-based screening, and awareness for last-mile beneficiaries. We collaborate with organisations to strengthen healthcare infrastructure in hospitals.

Cleft Care

In collaboration with Smile Train India, we launched the Maha Smiles – Cleft Care for Every Child initiative in Maharashtra, with the goal of performing over 7900 surgeries while also driving awareness for early intervention.

22,600

CHILDREN GIVEN CLEFT TREATMENT AND CARE

Type 1 Diabetes Care

We offer comprehensive care for children with Type 1 Diabetes (T1D) by providing access to medical treatment, diabetes education, counselling, and overall family support.

680

CHILDREN AND HEALTHCARE WORKERS SUPPORTED FOR TYPE 1 DIABETES CARE



Child Education

Targeted interventions and collaborations were implemented to strengthen foundational literacy and numeracy, STEM education, comprehensive school interventions, vocational education and scholarship support.



Digital and Tech-based Interventions

We collaborate with organisations to facilitate digital teaching interventions, harnessing technology to augment educational accessibility and effectiveness.

14,100

CHILDREN IMPARTED DIGITAL AND TECH-BASED LEARNING

Foundational Literacy and Numeracy

We work to remove barriers to foundational learning and numeracy with a specific focus on bolstering academic performance in core subjects through innovative approaches.

65,400

CHILDREN RECEIVED FOUNDATIONAL LEARNING ASSISTANCE

Mental Health Interventions

Through partnerships, we facilitate mental health interventions, encompassing emotional well-being and behavioural issue mitigation, which is vital for fostering a conducive learning environment.

80,800

CHILDREN BENEFITTED THROUGH OUR MENTAL HEALTH INTERVENTIONS

Child Protection

We are committed to protecting vulnerable children from marginalised communities facing risks like trafficking, abuse, child labour, legal conflicts, and juvenile delinquency. We also support adoption, day care, community protection, aftercare, and transition programmes.

Institutional Care

We provide comprehensive support to shelter homes and child welfare institutions, ensuring safe housing and holistic care.

1,442

CHILDREN SUPPORTED THROUGH CHILD WELFARE INSTITUTIONS

Rescue and Rehabilitation

Child rescue operations were conducted at railway platforms, with a focus on reuniting children with their families and rehabilitating them.

2,650

CHILDREN SUCCESSFULLY RESCUED AND REHABILITATED

Awareness and Sensitisation

We collaborated with our partners to raise awareness and sensitise communities about the issue of child sexual abuse, to create a safer environment for children and prevent instances of abuse and exploitation.

36,318

CHILDREN PROVIDED A SAFER ENVIRONMENT

Inclusion for Persons with Disabilities

We facilitated the well-being of Persons with Disabilities (PwDs) and their inclusion into mainstream society through interventions that addressed intellectual, developmental, physical, and locomotor disabilities, with a strong emphasis on early identification, intervention, and counselling. We also supported inclusive education, vocational training programs, assistive technology, comprehensive care, and assistance for competitive exams and fellowships.

3,598

PwD INDIVIDUALS EMPOWERED THROUGH INCLUSIVE EDUCATION

Medical Rehabilitation

Access to aids, prosthetics, and critical medical treatments was facilitated to improve mobility and health outcomes.

380,560

PEOPLE BENEFITTED FROM MEDICAL TREATMENTS

Community-based Inclusion

We offered therapies, counselling, educational support, medical aids and employment opportunities at a community level. Self-help groups and mentorship programmes were introduced to promote self-reliance and inclusion.

6,706

PEOPLE BENEFITTED THROUGH COMMUNITY-LEVEL PROGRAMMES



With each initiative, Bajaj Finserv moves closer to a future where inclusion is an integral part of everyday life, fostering a society that embraces and empowers individuals of all abilities.

Measuring the Impact of Our Actions

Bajaj Finserv is committed to making a positive impact on society through various CSR initiatives.

Our CSR projects span education, healthcare, livelihoods, skilling and inclusion of People with Disabilities (PwDs). We believe it is essential to assess the outcomes and effectiveness of these initiatives to ensure they align with our objectives and contribute meaningfully to the well-being of the communities we serve.

In FY2025, we conducted the assessment study of 14 CSR projects. The assessment exercise not only helped us understand the impact of our work on ground but also highlighted the challenges associated with it, feeding into our decision-making process and motivating us to continue our engagement through thoughtful learning and reflection.

Taking the Responsible Road Ahead

Alongside our continued focus on the development of child and youth beneficiaries, the Company is committed to deepening its impact in Pune city through multi-pronged interventions, partner capacity building, and the implementation of more strategic, outcome-driven projects.

**We began with one purpose.
Serving the needs of every Indian.**



MANAGEMENT DISCUSSION AND ANALYSIS

Bajaj Finance Limited ('BFL', 'Bajaj Finance', or 'the Company') is a subsidiary of Bajaj Finserv Limited. It is a deposit-taking Non-Banking Financial Company (NBFC-D) registered with the Reserve Bank of India (RBI) and is classified as a NBFC-Investment and Credit Company (NBFC-ICC). Since 30 September 2022, it has been categorised as an upper layer NBFC (NBFC-UL) pursuant to the Scale Based Regulation (SBR) put forth by the RBI.

BFL is engaged in the business of lending, partnership and services, payments and acceptance of deposits. It has a diversified lending portfolio across retail, SMEs (Small and Medium sized Enterprises), and commercial customers with significant presence in both urban and rural India. It accepts public and corporate deposits and offers a variety of financial services products to its customers.

BFL was originally incorporated as Bajaj Auto Finance Private Limited on 25 March 1987 as a Non-Banking Financial Company primarily focused on providing two- and three-wheeler finance. It launched an initial public offering of equity shares and was listed on the Bombay Stock Exchange ('BSE') on 7 June 1994. Thereafter, it got listed on National Stock Exchange of India ('NSE') on 1 April 2003. Subsequently, BFL ventured into consumer lending, SME lending, commercial lending, rural lending, partnership and services, payments and deposits.

Bajaj Finance has two subsidiaries, viz (i) Bajaj Housing Finance Limited ('BHFL' or 'Bajaj Housing'), which is registered with the National Housing Bank as a Housing Finance Company (HFC); and (ii) Bajaj Financial Securities Limited ('BFSL', 'BFinsec', 'Bajaj Broking'), which is registered with the Securities and Exchange Board of India (SEBI) as a Stock Broker and Depository Participant.

One of its subsidiary, BHFL, got listed on the National Stock Exchange Limited (NSE) and the Bombay Stock Exchange (BSE) on 16 September 2024. This resulted in a reduction of BFL's holding in BHFL from 100% to 88.75%.

BFL has made investments in equity shares of two technology companies i.e. (i) Snapwork Technologies Private Limited ('STPL'), in which BFL holds a stake of 41.5% on a fully diluted basis, and (ii) Pennant Technologies Private Limited ('PTPL'), in which BFL holds a stake of 26.53% on a fully diluted basis, which by virtue of size of holdings categorises them as Associate Companies.

Over the years, Bajaj Finance has emerged as a leading player in the country's NBFC sector.

At a glance:

BFL, on a consolidated basis, had a franchise of 101.82 million customers.

On consolidated basis, its Assets Under Management (AUM) stood at ₹ 416,661 crore.

BFL enjoys a capital adequacy of 21.93% on a standalone basis, which is well above the RBI norms.

During financial year 2024-25 ('FY2025'), on a consolidated basis, it earned a net interest income of ₹ 36,393 crore; and profit after tax of ₹ 16,779 crore.

101.82 million

Customer franchise

Crossed a milestone of 100 million

₹ 416,661 crore

Assets Under Management (AUM)

Crossed a milestone of 4 lakh crore

Macroeconomic Overview

Despite enduring three turbulent years marked by a global pandemic, supply chain disruptions, ongoing conflict in Ukraine, and elevated interest rates aimed at curbing high inflation, India emerged as by far the world's fastest-growing major economy. Calendar Year (CY) 2024 began with optimism, as inflation seemed largely under control and major economies were expected to avoid recession. These expectations proved accurate. However, as the year ended, it became clear that global inflation was more persistent than anticipated. And while the United States of America experienced robust growth, most other advanced economies did not. Additionally, many economies faced currency depreciation, posing potential disruptions, particularly for developing nations.

According to the IMF's World Economic Outlook (April 2025), global growth has been projected at 2.8% in 2025 and 3.0% in 2026, which is below the historical average of 3.7% for the period 2000-2019. It is worth noting that at 6.5% for FY2025 and FY2026, the IMF pegs India's real GDP growth as the highest among all major nations – including that of China. IMF also forecasts global headline inflation to decline to 4.3% in CY2025 and further to 3.6% in CY2026.

Regrettably, CY2025 has witnessed considerable uncertainty thanks to US announcing reciprocal tariffs on several nations, including India, and punitively high tariffs on China. This action, if it continues, would lead to reduced exports, along with unfavourable trade balances, export rates and forex rates; and for most nations, especially large trading ones, to a reduction in GDP growth. While the US has paused the imposition of higher tariffs for 90 days for most nations except China with the assumption that this will induce many countries to sit at the negotiating table, it is still too early to tell what the final outcome will be with several countries considering retaliatory tariffs on US exports. It remains to be seen how long this tariff war will last; and how it can significantly impact the economies of nations.

The second advance estimate of national income for FY2025, released by the National Statistics Office (NSO) on 28 February 2025, has pegged real GDP growth at 6.5% versus 9.2% (1st revised estimate) in FY2024. Table 1 gives the data.

Table 1: India, Real Gross Domestic Product (GDP) and Gross Value Added (GVA) at constant prices

	FY2022 (FE)	FY2023 (FE)	FY2024 (1 st RE)	FY2025 (2 nd AE)
Real GDP (₹ in trillion)	150.2	161.7	176.5	188.0
Real GVA (₹ in trillion)	138.8	148.8	161.5	171.8
Real GDP growth	9.7%	7.6%	9.2%	6.5%
Real GVA growth	9.4%	7.2%	8.6%	6.4%

Source: Government of India, National Statistical Office (CSO). AE denotes advance estimate, FE denotes final estimate, and RE denotes revised estimate.

Real GDP growth experienced a significant downward trend after Q3 FY2024. However, according to the second estimates for Q3 FY2025, it appears to be gaining momentum and is projected to reach 6.5% for FY2025. Quarterly GDP growth for Q1 FY2025 was 6.5%, followed by 5.6% in Q2 and 6.2% in Q3. As before, private final consumption expenditure (PFCE) has been the major contributor to GDP, with an estimated share of 56.7% in FY2025.

India's current account deficit (CAD) for Q3 FY2025 stood at US\$ 11.5 billion or 1.1% of GDP versus US\$ 10.4 billion (1.1% of GDP) in Q3 FY2024. For the first three quarters of FY2025, the CAD aggregated US\$ 37 billion, or 1.3% of GDP – compared to US\$ 30.6 billion, or 1.1% of GDP over same period of FY2024. Robust growth in services exports and remittance receipts cushioned the effect of a widening merchandise trade deficit on CAD during Q2 FY2025.

After peaking at 6.21% in October 2024, the consumer price index, or CPI(General), steadily declined to 3.34% by March 2025. Following an assessment of evolving macroeconomic and financial developments, the Monetary Policy Committee (MPC) of the RBI decided to cut the repo rate from 6.50% to 6.25% in February 2025, maintaining a 'neutral' stance. With inflation coming down to the RBI's target of 4%, the central bank shifted its monetary policy stance from 'neutral' to 'accommodative' in April 2025 and announced a further repo rate cut from 6.25% to 6%.

Supported by healthy rabi crop prospects and an expected recovery in industrial activity in FY2026, the RBI in its communication on 9 April 2025 forecast real GDP growth at 6.5% for FY2026. Among the key drivers on the demand side, household consumption is expected to remain robust aided by the tax relief in the Union Budget 2025-26. Fixed investment is expected to recover, supported by higher capacity utilisation levels, healthy balance sheets of financial institutions and corporates, buttressed by the central government's continued emphasis on capital expenditure.

NBFCs: An Industry Overview

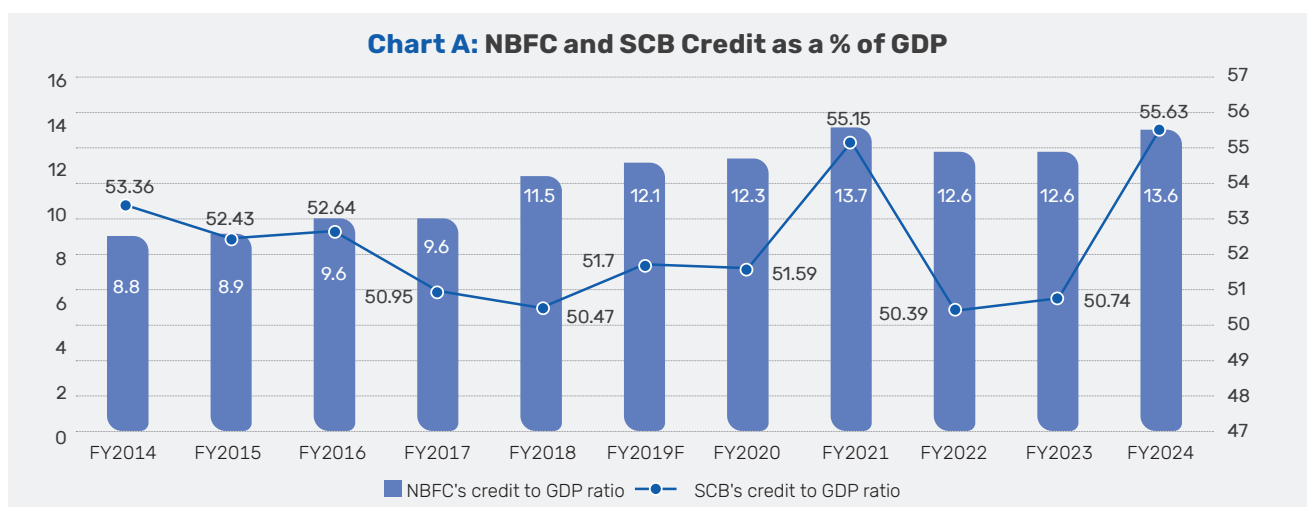
Non-Banking Financial Companies (NBFCs) have emerged as powerful engines of credit, significantly expanding access to financial services, especially for historically underserved or excluded segments. By complementing the traditional banking system, NBFCs have utilised innovative credit delivery models that leverage technology and local insights to create customised financial products tailored to diverse borrower needs. Their agility and close customer connections have enabled them to play a role that is not only complementary to traditional banks but also catalytic in building a financial ecosystem characterised by deeper intermediation and wider opportunities.

Over the past decade, the growth of NBFCs has consistently outpaced that of banks, a trend that has become even more pronounced in recent years. This rapid growth underscores the sector's relevance and resilience. As NBFCs continue to grow in importance, it is crucial to focus on governance, risk management, and customer treatment to ensure their sustainable development.

Credit growth of NBFCs, which has historically outpaced India's nominal GDP growth, is expected to continue accelerating. NBFCs have demonstrated remarkable resilience and have become increasingly significant in the financial sector, expanding their Assets Under Management (AUM) from less than ₹2 trillion at the turn of the century to approximately ₹43 trillion by 30 September 2024. Between FY2019 and FY2024, NBFC credit is estimated to have grown at a Compound Annual Growth Rate (CAGR) of around 12%, primarily driven by the retail segment, which is estimated to have grown at a CAGR of some 18%. In contrast, NBFC non-retail credit is estimated to have grown at a CAGR of about 9% during the same period.

The latest edition of the RBI's Financial Stability Report highlights that credit growth of NBFCs slowed to 16% from 22.1% a year ago. This deceleration is attributed to the high base effect and the increased risk weight for consumer lending introduced by the RBI in November 2023. The Gross Non-Performing Assets (GNPA) and Net Non-Performing Assets (NNPA) ratios of NBFCs have continued to decline. As of September 2024, the overall GNPA ratio was 3.4%, down from 4.6% in September 2023, while the NNPA ratio decreased to 1.1% from 1.5% over the same period. Equally, the capital adequacy ratio fell to 26.1% from 27.6%, primarily due to higher risk weights and business growth.

Post-COVID, both banks and NBFCs have experienced rapid and sustained growth in overall credit and retail loans. Between FY2021 and FY2024, banks' overall credit and retail loans grew at a CAGR of 15% and 21%, respectively. Analogously, NBFCs' CAGRs were 14% and 20%, respectively. Higher growth rate in retail credit for both banks and NBFCs underscores that credit growth is predominantly driven by consumption credit. This growth in retail loans is due to increased leverage among retail customers. The good news is that both the banks and the NBFCs have demonstrated financial robustness while maintaining this growth. Chart A plots the data for NBFC and Scheduled Commercial Banks (SCBs).



In recent years, NBFCs were severely tested by four major external events: demonetisation, GST implementation, the collapse of some large NBFCs and the pandemic. Despite these challenges, many NBFCs have maintained a commendable track record. Their ability to navigate these stresses without substantial impact on their financial positions highlights their resilience and agility.

As NBFCs have become more significant, the RBI has enhanced its regulation of the sector to address the industry specific issues such as contagion risk in the financial system, oversimplified underwriting processes, concentration of credit risk, exposure towards technology related risks, etc. Accordingly, the RBI, over last few years, has issued various guidelines on (i) vigil over asset-liability management practices, (ii) maintaining liquidity ratios, (iii) increased reporting requirements, and (iv) scale-based regulations. These have led to NBFCs adopting practices in line with banks. The regulatory vigil is based on four key cornerstones of: (i) responsible financial innovation, (ii) accountable conduct, (iii) responsible governance, and (iv) centrality of the customer.

On 9 April 2025, the RBI announced additional measures related to banking regulation, fintech and payment systems. It has proposed:

- Enabling securitisation of stressed assets through market-based mechanism. This is in addition to the existing ARC route under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002.
- Extending co-lending guidelines to all regulated entities and all type of loans, which were earlier applicable to banks and NBFCs for priority sector loans.
- Harmonising guidelines for lending against gold jewellery across all regulated entities.
- Evaluating and revising limits for Unified Payments Interface (UPI) transactions, with appropriate safeguards to mitigate risks associated with higher limits.

The Company

Bajaj Finance Limited ranks among the largest and most diversified NBFCs in India offering payments, partnership and services and lending solutions to customers. It has established a diversified business model which enables optimal balance of risk and profitability to deliver a sustainable business. The model is focused on acquisition of millions of customers and offering multiple loans and services on a cross-sell basis to meet their financial service needs. BFL is focused on continuous innovation to transform customer experience and create sustainable and profitable growth opportunities. Pursuant to scale-based regulation of the RBI, BFL and one of its subsidiaries, BHFL, are classified as upper layer NBFC's since 30 September 2022 and, are subject to an enhanced regulatory framework by the RBI.

BFL is present in 4,263 locations across the country, including 2,681 in rural/smaller towns and villages. Geographical expansion, large customer franchise and adoption of digital technology continue to be critical pillars of Bajaj Finance's growth. It focuses on 10 broad categories. These are:

- (i) Consumer Lending (Sales Finance)
- (ii) Personal Loans
- (iii) SME Lending
- (iv) Auto Financing
- (v) Rural Lending
- (vi) Gold Loans
- (vii) Commercial Lending
- (viii) Loan against Securities
- (ix) Deposits; and
- (x) Partnerships and Services

On a consolidated basis, in FY2025, BFL delivered

- An AUM growth of 26% in FY2025, rising from ₹ 330,615 crore to ₹ 416,661 crore.
- Growth in Profit After Tax (PAT) of 16% in FY2025 from ₹ 14,451 crore to ₹ 16,779 crore.
- Return on Average Assets (RoA) of 4.57% in FY2025 and Return on Average Equity (ROE) of 19.19%.

BFL remains well capitalised with a Capital-to-Risk Weighted Asset ratio (CRAR) of 21.93% as on 31 March 2025, making it among the best capitalised large NBFCs in India.

During the year BHFL successfully concluded its Initial Public Offer (IPO) of ₹ 6,560 crore. This included issuance of new equity shares amounting to ₹ 3,560 crore and an offer for sale by BFL amounting to ₹ 3,000 crore. BHFL equity shares were listed on NSE and BSE on 16 September 2024. Consequently, BFL's shareholding in BHFL reduced from 100% to 88.75%.

On 2 November 2023, BFL had allotted 1,550,000 warrants at a price of ₹ 7,670 per warrant, on a preferential basis, to Bajaj Finserv Limited, the promoter and holding company, on receipt of application money aggregating ₹ 297.21 crore being 25% of the total consideration. These warrants were converted into 1,550,000 equity shares on 26 March 2025 on receipt of remaining 75% of the consideration of ₹ 891.64 crore.

On the liability side, Bajaj Finance continues to maintain conservative liquidity buffers. The consolidated liquidity buffer was ₹ 18,754 crore as on 31 March 2025.

As on 31 March 2025, BFL's consolidated borrowings stood at ₹ 361,249 crore. In FY2025, it raised approximately USD 1 billion of fully hedged External Commercial Borrowings (ECB) as term loans from multiple banks.

BFL's consolidated average cost of funds for FY2025 was 7.97% and exit cost of fund as on 31 March 2025 was 7.87%.

As on 31 March 2025, BFL's consolidated gross NPA at 0.96% and net NPA at 0.44% were amongst the lowest in the industry. This validates BFL's deeply embedded risk culture and robust risk management practices which have ensured that despite the volatile economic environment, BFL's NPA as on 31 March 2025 stood at the best levels in its history.

Consolidated performance highlights, FY2025

- Customer franchise grew by 22% to 101.82 million
- Number of new loans booked were 43.42 million
- Number of customers on Bajaj Finserv App was 70.57 million
- Assets under management (AUM) increased by 26% to ₹ 416,661 crore
- Net interest income (NII) increased by 23% to ₹ 36,393 crore
- Net total income (NTI) grew by 24% to ₹ 44,954 crore
- Total operating expenses (Opex) grew by 21% to ₹ 14,926 crore
- Opex to Net Total Income (NTI) stood at 33%
- Pre-impairment operating profit increased by 25% to ₹ 30,028 crore
- Impairment on financial instruments increased by 72% to ₹ 7,966 crore
- Profit before tax (PBT) increased by 14% to ₹ 22,080 crore
- Profit after tax (PAT) increased by 16% to ₹ 16,779 crore
- Capital adequacy ratio (standalone) as on 31 March 2025 was 21.93%, Tier-I adequacy was 21.09% including CET1 ratio of 20.77% which are well above the RBI norms.

With its strong financial position, low NPAs, growth momentum, well provisioned balance sheet, strong capital adequacy, omnichannel business approach and strong start into FY2026, BFL is optimistic about its growth potential in the future years.

Long Range Strategy (LRS)

BFL has a highly disciplined approach to long range strategic planning which involves a rolling five-year LRS. The strategy is evolved after analysing macroeconomic factors, industry outlook as well as technology and business megatrends. The strategic plan is then converted into an execution strategy with a rollout plan over a 15–24-month horizon.

BFL has clearly articulated its business construct across (i) Ambition (ii) Strategy (iii) Approach (iv) Philosophy (v) Market share (vi) Profit Share (vii) Customer Share (viii) Technology and AI first. These are defined below:

Ambition	Strategy	Approach	Philosophy
To be a leading financial services company and a viable payments player in India. Dominate with 200 MM consumers, market share of 3%–4% of total credit, 4%–5% of retail credit and 1% of payments GMV.	To be an omnipresent financial services company dominant across all consumer platforms – physical, app, web, social, rewards and AI.	To acquire & cross-sell across payments, assets, deposits, insurance, investments and broking products to Consumer, MSME, Commercial and Rural consumers across all consumer platforms efficiently.	To build businesses with a 10-year view anchored on prudence and risk management to deliver ‘through the cycle’ 21%–23% shareholder returns.
Market share	Profit share	Customer share	Technology and AI First
Every business of the company to be amongst top 5 players in India in each line of business they operate in.	To be amongst top 20 most profitable companies in India and amongst top 5 to 6 profitable financial services companies in India in absolute terms.	To grow our share of customer’s wallet by offering all products and services in a frictionless manner and deliver highest Customer Satisfaction (CSAT) Score and Products Per Customer (PPC).	Technology and AI-first as an organization culture to solve all problems. Be an early adopter and invest in emerging technologies and data practices. It should result in sustained growth, lower costs, improved productivity, superior customer experience and robust controllership.

Update on LRS FY2025 – FY2029

LRS 2025–29 envisages BFL to further launch new products, variants and innovations, expansion of product coverage in existing locations, increase customer footprint and drive significant business volumes across all digital platforms, continue to leverage megatrends to grow business, reduce friction, deliver scalability, and improve resilience. One of the biggest initiatives planned as part of the LRS is as below:

Transform BFL into a FINAL company, which offers a full product suite for its 200 million customers by FY2029 as their pre-eminent choice. It's AI-enabled technology architecture will integrate AI across all processes and deliver significant operating leverage and growth.

The financial strategies identified include:

1. *Acquire Customers:* Acquire the next 100 million customers for BFL by leveraging strategic partnerships and organic acquisition channels.
2. *MSME, the next frontier of growth:* Focus on the unaddressed segments of MSME by leveraging both GST and Udyam registered entities and offer at least 10 products. This will make BFL the pre-eminent choice for MSMEs.
3. *Future of Personal Loan:* Create a comprehensive range of personal loan products designed to cater to diverse customer segments across various geographies.
4. *Optimise:* Scale auto loan with low credit cost and create a viable payments business.
5. *Risk Management:* "Back to basics" returning to core principles that assess a borrower's stability, ability, and intent to repay, and to re-emphasise univariate risk-based decision-making and the art of underwriting for prudent risk management.
6. *Products and Partnerships:* Invest in new product lines to seize the India opportunity and grow in a sustained manner. The following product initiatives have been envisaged for expansion of the BFL product suite: (i) leasing multi-product distribution; and (ii) green financing for both solar and EV.

The AI strategies include:

1. *AI for Revenue:* Incorporate conversational bots across all sales and service channels to enhance engagement and achieve a 3x increase in conversational rate.
2. *AI for Cost Reduction:* Boost productivity by 1.15x for front line sales staff, 1.5x for full time employees, and 2x for control functions. Deploy conversational voice bot in Sales and Debt Management Service (DMS) and co-pilot and auto-pilot models in Operation for Quality Control (QC) check.
3. *AI for Design & Engagement:* Revolutionise interactions with digital interfaces by transitioning to conversation-driven search and chatbots for improved customer engagement.
4. *AI for Risk:* Convert unstructured data into structured data to support robust decision-making, identify patterns and generate new models that are auditable, transparent, and explainable.
5. *AI for Credit:* Enable underwriters by creating summaries, screening, validation, and generating recommendation reports – AI will not be used to automate underwriting.
6. *AI for Productivity:* Enhance productivity across the loan life cycle journey by reducing time in the loan process, enabling AI-powered helpdesks, AI-driven hiring, learning and development, and creating knowledge repositories.
7. *AI for Controllership:* Significantly automate Quality Assurance (QA) processes like internal and concurrent audits, call recording audits, and communication governance checks.

Update on LRS FY2024 – FY2028

In January 2024, the Company unveiled its long-range strategy for the period FY2024 to FY2028. In it, BFL envisaged launch of new products and product variants, product innovations, geographical expansion and continued enhancement of its operational capabilities to deliver robust growth. It also considered nine megatrends across the India Stack, Platform, Products and Technology to evaluate for implementation.

The major updates on LRS 24-28 are as follows:

- Commercial vehicle financing launched in Q1 FY2025 and present across 100+ dealers.
- Tractor financing was launched in Q4 FY2024 and present across 850+ dealers.
- Bharat Mortgages went live in Q2 FY2025.
- Industrial equipment financing went live in Q3 FY2025.
- Auto Lease was launched in Q2 FY2025 and partnered with more than 70 companies.
- Zero Paper: Digital KYC 95%; E-Mandate 92%; E-Agreement 98%; physical documents reduced from 23% to 13%.
- *Consumer App*: 70.57 million net installs; 90 days retention at 96%; app rating at 4.78 out of 5.
- *Gold Loans*: Opened 313 new branches during the year, taking the total number of gold loan branches to 1,209 as on 31 March 2025 with an AUM of ₹ 8,307 crore (81% growth year-on-year).
- Various new initiatives such as Customer Data Platform (CDP), Gen AI enabled Ops and Service and Zero Liquidity Drag, resulted in cost savings for the Company.
- *Zero Cost Service*: Do it Yourself (DIY) up from 68% to 86%; 26% reduction in complaints; 19% reduction in RBI escalations. Customer Satisfaction (CSAT) score increased from 93% to 96%.
- *Bajaj Prime*: Went live in Q2 FY2025 with a monthly run rate of 25,000; over 100 partners signed.
- Bajaj Housing Finance Limited has a market share of 7% in retail mortgage space against the target of 12% to 15% and is on track to achieve the target.
- Bajaj Financial Securities Limited has market share of 47% in broking accounts against the target of 50% to 60% and is also on track to achieve the target.

5

New products launched in FY2025 by BFL

Omnichannel strategy

BFL's strategy remains to be an 'omnipresent' financial services company dominant across all vectors of consumer presence covering physical, app, web, social and virtual platforms. This omnichannel model has delivered a paradigm shift for the organisation, transitioning from a traditional product and process-centric framework to a customer-first strategy. This evolution is redefining every aspect of the Company's operations, placing the customer at the heart of its business reinvention. Over the last three and a half years, BFL has made significant investments in creating digital platforms that have now reached significant scale and adoption.

The omnichannel strategy has seven domains viz. (i) geographic expansion, (ii) Bajaj Finserv app, (iii) Bajaj Finserv website, (iv) payments, (v) productivity apps, (vi) Customer Data Platform (CDP) & (vii) Social. During FY2025, the Company significantly advanced on all these domains.

- **Geographic expansion.** BFL has significantly expanded its geographic footprint, adding 118 new locations in FY2025, bringing its total presence to 4,263 locations. BFL employs a strategic geographical expansion program using GDP contribution as a key criterion for selecting new locations. Additionally, BFL has broadened its gold loan business by establishing standalone gold loan branches. With these additional branches, the total number of branches disbursing gold loans across India reached 1,209.

- **Bajaj Finserv App.** The Bajaj Finserv App is a cornerstone in BFL's transformation into a digital-first organisation, boasting over 70.57 million installations. The Company meticulously tracks over 4,200 Key Performance Indicators (KPIs) within the app. In FY2025, the app played a pivotal role in BFL's growth, helping to onboard over 562,600 EMI card customers, disburse ₹ 10,131 crore in personal loans and ₹ 1,347 crore in gold loans, acquire more than 30,000 credit cards, facilitate over 9.99 million flexi-loan transactions and 7.69 million Debt Management Services (DMS) receipts. Additionally, the app attracted ₹ 268 crore in fixed deposits. It currently ranks as one of the top five financial services apps in India on the Google Play Store.

A key initiative was the unification of the App and Web into a single digital stack, to equate the App functionality with Web, and thus ensure a uniform and frictionless customer experience. App= Web has seen the addition of numerous features, now totalling 770 with upcoming 615 features.

- **Open Network for Digital Commerce (ONDC)**

Buyer App – Hamara Mall

Bajaj Finance has introduced ONDC for buyers on its digital platforms. This went live in October 2024 and covered seven categories: Food and Beverages, Home and Kitchen, Fashion, Beauty and Personal Care, Health and Wellness, Grocery, and Electronics.

ONDC – Financial Service

Bajaj Finance has also ventured as a Seller Network Participant (SNP) for offering ONDC Financial Services, where it has successfully gone live with the Personal Loan (PL) Offer journey. In the next phase, BFL plans to roll out the No Offer Journey, Working Capital and Purchase Finance Journeys.

GenAI based live chatbot will be enabled for better customer engagement and discoverability on the App by Q2 FY2026.

- **Bajaj Finserv website** remains an extremely important driver of customer traffic, business volumes and service. More than 770 features are live on Web like the App. Customers can now initiate their journey on any one platform and complete the same on another without any disruptions. BFL has further strengthened its search ecosystem thereby laying a strong foundation for accommodating one billion web traffic over the medium-term and its move towards 'Zero Paid' traffic. BFL's web platform played an important role with over 303 million unique customer visits and enabled disbursements of over ₹ 6,508 crore in FY2025. The web also garnered over ₹ 901 crore of deposits in FY2025.

BFL intends to communicate with consumers in local languages to widen its reach, build trust, enhance customer engagement and promote digital inclusion. While Hindi is already live, BFL will expand to six other regional languages by December 2025.

- **Payments** is core to delivering the omnichannel strategy. It is a tool for customers and merchants; and enables higher engagement and retention of customers on BFL's digital platforms. BFL has built a full-service payments business across all formats of issuance and acquiring with robust payments stack encompassing wallets, UPI, Bharat Bill pay service and single payment checkout gateway. BFL will go live with Loan in the Central Bank Digital Currency (CBDC) wallet in FY2026.

As of 31 March 2025, (i) 32.6 million customers have a wallet account with the Company; and (ii) 40.09 million have a UPI handle. 32.66 million bill payment transactions were executed by the customers using BFL's bill pay service in FY2025. It distributed 1.14 million FASTag cards. BFL plans to start distributing National Common Mobility Card (NCMC) in FY2026.

As of 31 March 2025, the Gross Merchandise Value (GMV) for UPI was ₹ 58,194 crore; the wallet load was at ₹ 4,041 crore; and the wallet spend at ₹ 3,871 crore.

For customers and merchants alike, BFL has been driving UPI payments. It has accelerated Quick Response (QR) deployment at small and medium format merchants. Bajaj Pay QR enables merchants to accept payments by way of UPI, PPI (Bajaj Pay Wallet) and Bajaj EMI. The Company has deployed over 0.58 million merchant QRs in FY2025 with cumulative base crossing 3.72 million.

- **Productivity apps** help to improve productivity, engagement and collaboration within the BFL ecosystem. The Company has four productivity apps, viz. (i) Sales One app, (ii) Debt Management Service One app, (iii) Merchant One app, and (iv) Partner One App. These help BFL leverage underlying platforms and bring a unified experience for all constituents from sales to debt management. The Sales One App acts as a single application gateway for sales teams across businesses to cater to sales activities, reports and dashboards,

cross-sell leads, trainings, enabling customer service, debt management service, and engagements. The DMS One App enables the Company's debt management teams across product lines with a host of capabilities and features like mobile receipting, agency allocation, meeting calendars, call management and recording, repossession module, settlement workflow and letters, performance reports and others. It also enables imparting debt management and customer service-related trainings and dissemination of important communication with the DMS employees and agencies resources. Apart from delivering high velocity and operating benefits, DMS One App has significantly strengthened BFL's compliance and controllership. The Merchant One App enables merchants with capabilities such as self-onboarding, QR issuance and business dashboards. And the Partner One App is a one-stop productivity asset that enables 'Sourcing Business Partners' with end-to-end lifecycle capabilities such as onboarding, renewal, branch and associate management, case booking, transaction tracking, performance reports, query resolutions, training, payout and account management.

- **Customer Data Platform (CDP)** is a key to the omnichannel experience. In FY2025, the Company decided to upgrade its CDP on modern big data stack and enable real time data stream, integrated visualisation and faster processing with enhanced User Interface (UI) experience. The new CDP has gone live for SMS (Short Messaging Service), email, RCS (Rich Communication Service) and social channels.

The Company's Data Cloud now seamlessly integrates with all channels of customer communication – Call Centre, WhatsApp, SMS, Email, RCS, Social, and Notification – providing a unified view for personalised campaigns, improved engagement and conversion rates, along with robust data and communication governance. BFL executes 1,500 campaigns per day across channels. It is also working on an omnichannel marketing strategy, which will go live by Q1 FY2026 and have consistent messaging across channels, reduce redundancies, lower operational costs and improve overall efficiency.

- **Social**

Social has emerged as a go-to channel of discovery and purchase for consumers. Over 62% of urban users in India discover products online before making a purchase. BFL has ramped up its social presence to leverage this mega trend. In FY2025, the Company increased its social presence from one social handle to five, addressing diverse financial needs of consumers and garnering over 330 million video views and 4.4 million followers. In FY2026, BFL would continue to build the community, increase influencer collaborations and establish Social as a business engine

Table 2: Some Key Outcomes of the Omnipresent Strategy

Particulars	Unit	FY2025	FY2024
(i) Geography			
New locations added	#	118	412
Locations as at 31 March	#	4,263	4,145
Standalone gold loan branches as at 31 March	#	964	650
(ii) App metrics			
Downloads	# in MM	75.90	63.04
Net Installs as at 31 March	# in MM	70.57	52.41
In-App programmes as at 31 March	#	148	147
Service requests initiated on app	% of total SR	38.7	33.3
(iii) App payments metrics			
UPI handles till 31 March	# in MM	40.09	24.78
Bill pay transactions	# in MM	32.66	27.54
QRs at merchant Point of Sales (PoS) as at 31 March	# in MM	3.72	3.14
Rewards issued	# in MM	106.44	93.70
(iv) App business metrics			
EMI cards acquired on App	# in MM	0.91	0.51
Personal loans disbursed on App	₹ in crore	20.0k	18.4k
Credit card acquisition on App	# in '000	31.0	245.4
Flexi loan transactions on App	# in MM	11.62	9.89
DMS receipts on App	# in MM	7.69	5.39

Particulars	Unit	FY2025	FY2024
(v) Marketplace metrics			
Bajaj Mall visits	# in MM	187.40	181.00
Bajaj Mall loans	# in MM	3.93	2.16
Insurance Bazaar – insurance policies	# in MM	1.06	0.89
Investments Bazaar – mutual fund A/C	# in '000	120.0	190.3
(vi) Digital EMI card metrics			
EMI cards acquired digitally	# in MM	3.63	1.78
EMI cards acquired digitally – cards in force as at 31 March	# in MM	7.60	3.60
B2B loans from digital EMI cards as at 31 March	# in MM	1.30	1.04

Business Update

In FY2025:

- BFL disbursed 43.42 million loans, representing a growth of 20% over FY2024.
- It was present in 4,263 locations across the country, including 2,681 locations in rural/smaller towns and villages.
- It operated through over 232,000 distribution points across India.
- It acquired a record 18.18 million new customers in FY2025 taking its existing customer franchise to 101.82 million as on 31 March 2025, a growth of 22% over 31 March 2024.

As part of its product strategy, BFL continued to expand its product offering for customers. Some new launches were: (i) Vehicle leasing for corporates, (ii) Industrial equipment financing, (iii) Solar financing, (iv) Commercial vehicles financing, (v) Bharat mortgages.

Consumer Lending: consumer electronics, furniture, digital products, e-commerce purchases, two-wheelers, three-wheelers and daily spends financing

BFL is the largest lender for financing of discretionary spends across consumer electronics, furniture, and digital products in India. Sales finance business consists of financing for consumer electronics, two-wheelers, digital products, lifestyle purchases, lifecare spends, retail spends and e-commerce purchases. This business is conducted under two verticals, viz. urban sales finance and rural sales finance, the volumes of which are tabulated below:

Table 3: Sales finance volumes

Particulars	(# in million)		
	FY2025	FY2024	Growth
Urban sales finance	26.84	24.78	8%
Rural sales finance	9.63	7.68	25%
Total sales finance	36.47	32.46	12%

BFL's Existing Member Identification (EMI) card, with some 58.91 million cards-in-force, enables customers to avail instant finance across over 210,300 points of sale. In FY2025, EMI Card enabled BFL to finance 58% of the new loans booked. During the year BFL sourced 3.63 million EMI cards.

In FY2025, BFL saw significant growth by financing 454,191 non-Bajaj two-wheelers, an 87% increase from FY2024. The business now operates in 1,750 locations, serving over 14,000 retailers and around 35 Original Equipment Manufacturers (OEMs).

Bajaj Auto Limited (BAL) established Bajaj Auto Credit Limited (BACL) in September 2022, which became operational in Q4 FY2024. Following this, BFL gradually reduced its financing of BAL-manufactured two-wheelers and three-wheelers, stopping entirely in December 2024. In FY2025, BFL financed 298,477 two-wheelers and 91,056 three-wheelers from Bajaj Auto Limited, contributing to 18% and 22% of Bajaj Auto's domestic sales of two-wheelers and three-wheelers, respectively.

BFL's Lifestyle Finance provides financing facility for discretionary spends for high ticket size products and services across a wide network of over 21,250 stores in 488 locations across India. In FY2025, it financed over 9.51 lakh accounts, with a 20% year-on-year growth.

BFL offers financing to its existing EMI card customers for purchases through e-commerce platforms. During FY2025, BFL financed over 2.46 million transactions in FY2025. There was an RBI embargo imposed on 15 November 2023 under which financing on e-commerce platforms was not allowed till 1 May 2024. On 2 May 2024, based on the remedial actions taken by the Company, the RBI has lifted restrictions on sanction and disbursement of loans under 'eCOM' and 'Insta EMI Card', with immediate effect.

The retail spends financing business offers easy instalment options to customers for small ticket purchases like fashion, eyewear, cycles, tyres, car accessories, vehicle servicing, power back-up and small appliances. BFL now focuses on relatively higher ticket spends which are economically more viable. This business is operational in 126 locations with a footprint of over 62,000 urban partner stores across India. The Company financed nearly 9.15 lakh purchases in FY2025 compared to nearly 8.88 lakh purchases in FY2024.

Personal Loans

The Personal Loan Cross Sell (PLCS) business is a pre-approved loan origination programme for existing customers of BFL. It is driven by risk analytics, dynamic campaign management, and a focus on precise customer targeting. In FY2025, the PLCS business adopted a Zero-Based Budgeting (ZBB) approach, aimed at delivering the right loan to the right customer through sharp data-driven decision-making and resource optimisation. The adoption of ZBB strengthened the alignment of underwriting and operational strategies, resulting in higher productivity and disciplined, outcome focused growth across the PLCS business.

In FY2025, BFL disbursed PLCS loans to over 2.05 million customers, delivering a 32% increase in AUM to ₹ 50,313 crore as of 31 March 2025.

BFL also offers Salaried Personal Loans (SPL) to affluent salaried customers with average annual gross earnings exceeding ₹ 300,000. The SPL business delivered a strong 36% growth in AUM to ₹ 35,784 crore as on 31 March 2025. During the year, BFL undertook a significant strategic shift towards expanding its term loan portfolio from 5% to 20%, emphasising longer tenures and larger ticket sizes to better cater to the evolving financial needs of this customer segment.

SME Lending: Unsecured and Secured loans to MSME and Professionals

MSME lending provides essential financial support to Micro, Small and Medium Enterprises (MSMEs), professionals, tractor financing and new/used car financing and commercial vehicle financing. BFL offers unsecured and secured loans in the form of working capital loans and term facilities to SMEs, MSMEs and professionals. Secured loans are offered against various property types including residential and commercial properties, and used four-wheelers. The SME lending book grew by 30% from ₹ 38,508 crore as of 31 March 2024 to ₹ 50,230 crore as of 31 March 2025. MSME lending operations are grounded in robust, data-driven underwriting which leverages comprehensive banking information across all loan products. To further enhance the efficacy of risk assessment, BFL utilises the Account Aggregator facility, which facilitates consent-based access to customer transaction data. This enables more precise and refined underwriting decisions, resulting in optimised product offerings and enhanced credit monitoring capabilities.

Business loans to MSMEs

Unsecured MSME loan products are offered across a network of 2,593 locations throughout India. This segment achieved a 28% growth in AUM — ending FY2025 with an AUM of ₹ 31,955 crore.

Professional Lending

BFL offers secured and unsecured financing facilities to self-employed professionals, including doctors, chartered accountants, lawyers and other professionals by providing essential working capital and term loan solutions over 2,593 locations across India. The AUM grew by 26% in FY2025, reaching ₹ 16,405 crore.

Equipment Financing

The MSME lending portfolio includes financing for both medical and industrial equipment. Medical equipment finance continues to complement professional loans, this year the Company introduced industrial equipment financing for machine tools, plastic processing, textiles, and printing and packaging machines. Supported by field distribution, OEMs, and dealer networks, the equipment financing portfolio grew by 52%, reaching ₹ 853 crore by the end of FY2025.

Secured Loans for MSMEs and Professionals

Secured loans against residential, commercial, and mixed-use properties are provided to MSMEs and professionals. The AUM of secured loans grew by 43% in FY2025, closing at ₹ 10,559 crore. Additionally, in FY2025, the MSME lending team launched affordable housing loans, offering credit facilities to make home ownership accessible to all.

Tractor Financing

Tractor loans are offered to individuals and non-individuals for purchase of new/used tractors, harvesters, and standalone Implements and also for refinance against existing tractors/harvesters. BFL offers tractor loans in over 200 locations largely covering Uttar Pradesh, Madhya Pradesh, Rajasthan and Haryana. BFL has partnered with 8 OEM's, 2,912 dealers and major aggregators to expand its used tractor financing business.

During FY2024, the Company launched a new and used tractor financing business. This segment saw good growth over the year and reached an AUM of ₹ 705 crore as of 31 March 2025.

Along with financing for new and used tractors, BFL also offers financing for ancillary equipments along with new tractors thereby providing the customer with a comprehensive agricultural financing solution.

With growing mechanisation, the Company has also started limited funding operations for harvesters.

Commercial Vehicle Financing

During Q1 FY2025, the Company launched its commercial vehicle financing business, establishing a presence in over 50 locations. As of 31 March 2025, this business has achieved an AUM of ₹ 942 crore.

Auto Financing

FY2025 marked a period of significant growth and strategic realignment in Auto Financing.

New car finance experienced substantial expansion with AUM crossing ₹ 5,000 crore in the second year of operations. This is operational across 59 locations serving over 2,700 dealer outlets and 24 automotive manufacturers (OEMs). This business ended FY2025 with an AUM of ₹ 5,281 crore versus ₹ 1,680 crore as of 31 March 2024.

In Used Car Finance, a strategic priority was to optimise portfolio risk by shifting focus towards Sale Purchase (SP) financing. This resulted in a favourable portfolio mix change, with SP financing increasing to 75% by March 2025, up from 55% in April 2024. Used car financing is operational across 95 locations serving over 1,000 channels and dealer outlets. It ended FY2025 with an AUM of ₹ 6,595 crore compared to ₹ 5,407 crore as of 31 March 2024, a growth of 22%.

During the year, the Company launched vehicle leasing for corporates and has partnered with over 70 companies to provide this product.

Rural Lending and Gold Loans

Rural Lending

In FY2025, BFL expanded its rural lending coverage by adding 105 new locations and deepening its geographical presence. At the close of FY2025, it is present in 2,681 locations across 25 states and 2 union territories in India. During FY2024, BFL grew its rural B2C business by only 12% due to concerns about portfolio quality and rising credit costs. As the portfolio quality improved and credit costs normalised, BFL restarted growing this business from the second half of FY2025. Consequently, the rural lending portfolio grew by 22% in FY2025, increasing from ₹ 17,607 crore in FY2024 to ₹ 21,467 crore.

Gold Loans

Continuing its focus on the gold loan business, BFL expanded by opening 313 new branches during the year, taking the total number of gold loan branches to 1,209, of which 964 are exclusive standalone branches. The gold loan AUM grew from ₹ 4,599 crore to ₹ 8,307 crore, registering a 81% growth and now contributing 2% to BFL's consolidated AUM.

The RBI has recently published draft guidelines for the gold loan business to harmonise regulations across various types of regulated entities. BFL is committed to complying with all applicable regulations/guidelines while achieving business growth.

Commercial Lending

Commercial lending consists of lending to mid-sized corporates in sectors like auto component manufacturing, light engineering, specialty chemicals, pharma, packaging, financial institutions, etc. This business operates through four distinct business verticals viz, Mid Corporate, Financial Institutions Group, Large Corporates and Emerging Corporates each driven by dedicated teams. It offers term loans to customers towards general corporate purposes, capital expenditure, acquisition funding, structured transactions, lease rental discounting, etc. BFL continues to have a sharp focus on acquiring quality corporate clients; and has a robust review mechanism to continuously monitor the business metrics. This business closed FY2025 with an AUM of ₹ 28,285 crore, recording a growth of 28% over the previous year.

Loan Against Securities

Loan against securities offers medium-term and short-term financing against shares, bonds, mutual funds, insurance policies and deposits to customers across retail, High Net Worth Individuals (HNIs) and promoter categories. It is operational in 21 locations through physical branches and offers financing solutions through a digital medium as well.

BFL, along with its 100% subsidiary viz. Bajaj Financial Securities Limited, offers a full product suite to its retail and HNI customers. This business grew strongly in FY2025 and closed the financial year with an AUM of ₹ 20,872 crore, recording a growth of 15% over the previous year.

Q4 FY2025 experienced significant volatility in Indian stock markets. To manage the associated portfolio risk, the Company has implemented several proactive measures: proactive stock categorisation, regularly monitoring margin shortfalls, and conducting scenario-based analyses. BFL's diversified portfolio of underlying securities effectively mitigated risk, allowing it to avoid extraordinary margin calls.

Deposits

BFL accepts deposits from retail and corporate clients. The consolidated deposits book as on 31 March 2025 stood at ₹ 71,403 crore, representing a growth of 19%. BFL's deposit book now contributes to 26% of its standalone borrowings and 20% of its consolidated borrowings as on 31 March 2025, as against 27% and 21%, respectively, as on 31 March 2024.

BFL continues to grow retail and corporate deposits as a part of its growth strategy and is simultaneously increasing its focus on digital origination of retail deposits.

With more thrust on digital sourcing of deposits, approximately 73% of the deposits sourced during the year are paperless. Retail deposits now contribute to 59% of total deposits.

Partnerships and Services

BFL offers its customers a diverse range of life insurance, general insurance, extended warranty, health insurance products, financial fitness reports or a combination of these products as value-added services during and after the loan on-boarding process. It is registered with the Insurance Regulatory and Development Authority of India (IRDAI) as a corporate agent and is permitted to distribute life, health, and general insurance products. It has currently tied up with 17 insurers enabling it to offer various product solutions to customers.

Co-branded Credit Cards

The number of cards-in-force for the RBL Bank Co-branded Card stood at over 2.98 million as on 31 March 2025, versus 3.63 million as on 31 March 2024. The number of cards-in-force for the DBS Bank Co-branded Card stood at over 0.46 million as on 31 March 2025 versus 0.45 million as on 31 March 2024.

During Q3 FY2025, the Company mutually agreed to halt the incremental sourcing of co-branded credit cards with RBL Bank Limited and DBS Bank India Limited. This decision will not impact existing cardholders, who will continue to receive services from their respective banks as usual. The Company earned distribution fees and a revenue share under the co-brand arrangement, and this discontinuation will not affect the Company's future revenue share from this arrangement.

Strategic partnership with Airtel

In Q3 FY2025 the Company announced a strategic partnership with Bharti Airtel, one of India's largest telecom services providers. This partnership combines Airtel's customer base of 375 million, strong distribution network of over 1.2 million, and Bajaj Finance's diversified suite of 27 product lines, distribution heft of 232K distribution points, its 4,263 locations and over 70,000 field agents.

Airtel will offer Bajaj Finance's retail and MSME products on its Airtel Thanks App and its nation-wide network of stores in a seamless and secured manner. The combined strength of the companies' digital assets will enable significant increase in penetration of financial products and services in India.

To start with, three products of Bajaj Finance have been piloted on the Airtel Thanks App. BFL expects an additional six products to go live on the Airtel Thanks App by first half of FY2026.

Assets Under Management (AUM): A Snapshot

In FY2025, BFL crossed a milestone of ₹ 400,000 crore of consolidated AUM and closed FY2025 with an AUM of ₹ 416,661 crore as compared to ₹ 330,615 crore as at the end of FY2024, a growth of 26%.

Chart B depicts BFL's consolidated AUM over the last five years. Table 4 gives more granular data based upon lines of business.

Chart B: Consolidated Asset Under Management (₹ in crore)

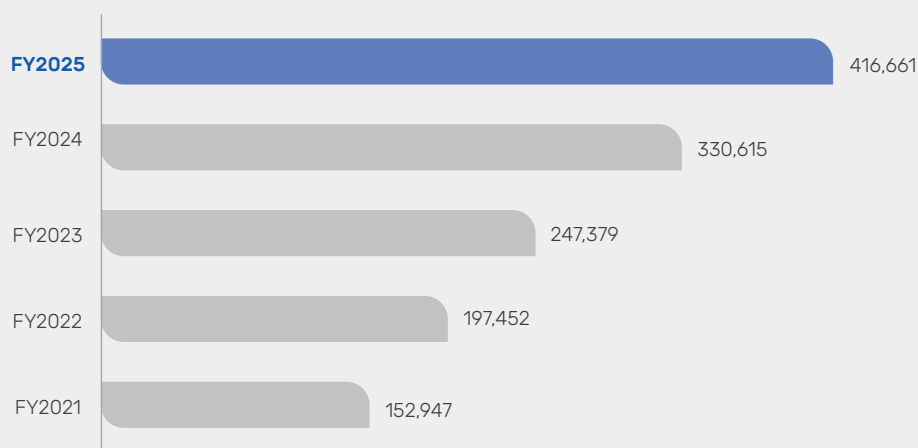


Table 4: Asset Under Management

(₹ in crore)

Particulars	Standalone			Consolidated		
	FY2025	FY2024	Growth	FY2025	FY2024	Growth
Two and three-wheeler finance	17,319	19,742	(12%)	17,319	19,742	(12%)
Urban sales finance	29,109	23,448	24%	29,109	23,448	24%
Urban B2C	86,096	64,471	34%	87,696	66,093	33%
Rural sales finance (excluding gold loans)	7,944	6,209	28%	7,944	6,209	28%
Rural B2C	21,467	17,607	22%	21,467	17,607	22%
SME lending (excluding car loans)	50,230	38,498	30%	50,345	38,470	31%
Loans against securities	20,872	18,221	15%	25,377	22,038	15%
Commercial lending	28,285	22,006	29%	27,760	22,006	26%
Mortgages	27,327	22,938	19%	129,461	103,316	25%
Gold Loans	8,307	4,599	81%	8,307	4,599	81%
Car Loans	11,876	7,087	68%	11,876	7,087	68%
Total	308,832	244,826	26%	416,661	330,615	26%

Financial Performance

Table 5 gives BFL's financial performance for FY2025 and FY2024.

Table 5: BFL's Financial Performance

(₹ in crore)

Particulars	Standalone			Consolidated		
	FY2025	FY2024	Growth	FY2025	FY2024	Growth
Interest Income	51,549	40,783	26%	61,164	48,307	27%
Interest and finance charges	18,437	13,843	33%	24,771	18,725	32%
Net interest income (NII)	33,112	26,940	23%	36,393	29,582	23%
Fees and commission income	5,641	5,007	13%	5,983	5,267	14%
Net gain on fair value changes	344	139	147%	539	308	75%
Sale of services and Income on de-recognised loans	477	24	1888%	579	63	819%
Others	1,409	993	42%	1,460	1,038	41%
Net total income (NTI)	40,983	33,103	24%	44,954	36,258	24%
Employee benefits expenses	6,907	5,849	18%	7,508	6,396	17%
Depreciation and amortisation	822	629	31%	881	683	29%
Other expenses	6,238	4,999	25%	6,537	5,246	25%
Pre-impairment operating profit	27,015	21,625	25%	30,028	23,933	25%
Impairment on financial instruments	7,883	4,572	72%	7,966	4,631	72%
Share of profit from associates	-	-		18	8	125%
Exceptional Items	2,544	-		-	-	
Profit before tax (PBT)	21,676	17,053	27%	22,080	19,310	14%
Profit after tax (PAT)	16,662	12,644	32%	16,779	14,451	16%
Other comprehensive income/ (expenses)	(78)	91	(186%)	(67)	90	(175%)
Total comprehensive income	16,583	12,735	30%	16,712	14,541	15%
Earnings per share (EPS) basic, in ₹	269.33	207.27	30%	268.94	236.89	14%
Earnings per share (EPS) diluted, in ₹	268.58	206.47	30%	268.20	235.98	14%
Book value per share, in ₹	1,420.93	1,168.31	22%	1,560.89	1,243.99	25%

Chart C depicts growth of BFL's consolidated PAT.

Chart C: Consolidated PAT (₹ in crore)

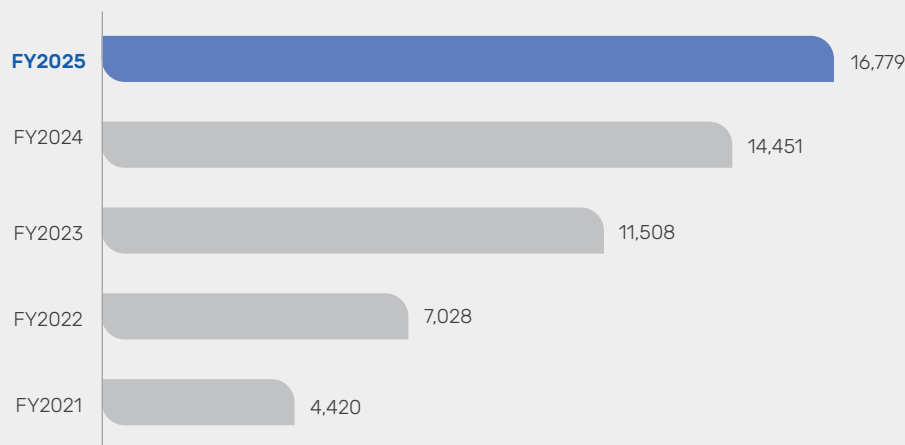


Chart D depicts consolidated return on average assets (ROA) and return on average equity (ROE) over the last 12 years.

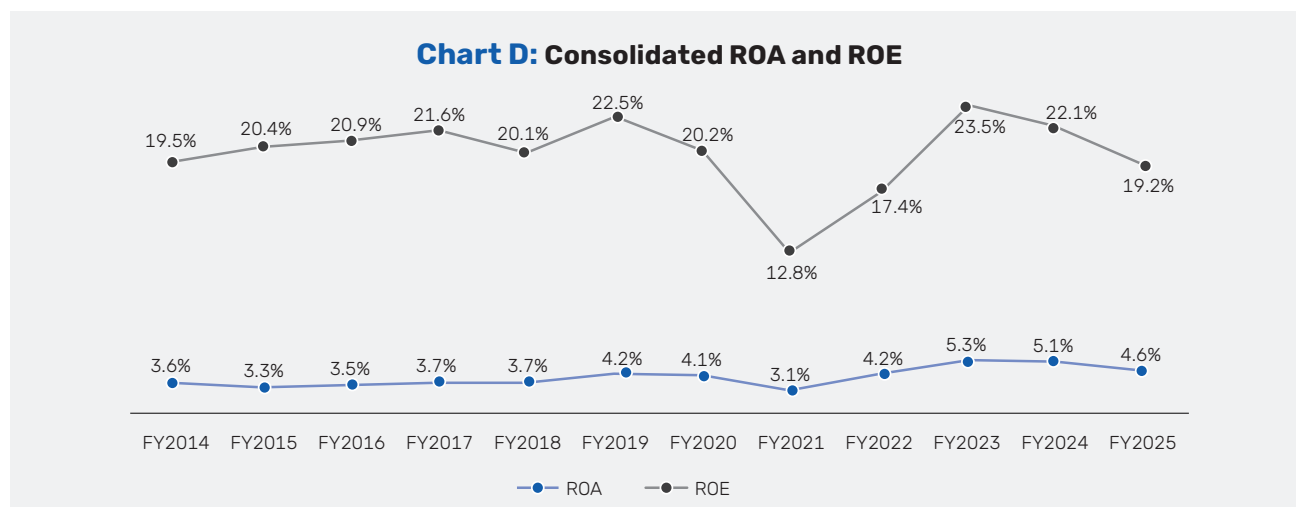


Table 6: Key Ratios on Consolidated basis

Ratios	FY2025	FY2024
Net interest income (NII) to average loans receivable	9.91%	10.41%
Total operating expenses to NTI	33.20%	33.99%
Return on average loans receivable (ROA)	4.57%	5.08%
Return on average equity (ROE)	19.19%	22.05%
Capital to risk-weighted assets ratio (CRAR) *	21.93%	22.52%
Tier I *	21.09%	21.51%
Tier II *	0.84%	1.01%
Gross NPA	0.96%	0.85%
Net NPA	0.44%	0.37%
Provisioning coverage ratio (PCR)	54%	57%
EPS-Basic (₹)	268.94	236.89
Diluted (₹)	268.20	235.98

* These ratios are on standalone basis.

Risk Management, Debt Management and Portfolio Quality

Risk Management

As a NBFC, BFL is mainly exposed to credit, liquidity, operational and market risks. It continues to invest in talent, processes and emerging technologies to build advanced risk management capabilities; and its sustained efforts to strengthen its risk framework have resulted in stable risk metrics.

BFL promotes a strong risk culture that is embedded across the organisation. At the highest level, the Board of Directors has established a Risk Management Committee (RMC), which assists the Board in maintaining an oversight and review of the risk management principles and policies, strategies, risk appetite, processes and controls. The RMC met six times in FY2025.

The risks revolving around inflationary trends, leverage, elevated interest rates, asset quality concerns and tighter systemic liquidity emerged as challenges which needed to be addressed. BFL's risk framework ensured that, despite these risks, its net interest income, NPAs and liquidity management were not greatly impacted. BFL also has a robust asset-liability management framework and maintains enough liquidity buffer to meet its repayment obligations and emerging credit demand.

As per the RBI's SBR framework, NBFCs classified in the middle and upper layers are required to undertake a thorough internal assessment of the needs for capital, commensurate with the risks in their business. This is required to be carried out using the Internal Capital Adequacy Assessment Process (ICAAP) prescribed for commercial banks under Pillar 2 of BASEL guidelines. Accordingly, BFL has institutionalised a Board-approved ICAAP policy and document. The document encompasses the assessment of material risks to which BFL is exposed and measures taken to mitigate those risks. It has completed its Internal Capital Adequacy Assessment for FY2024 in line with its Board approved ICAAP policy.

Based on assessment of all the material risks applicable to it and reviewing the controls and risk mitigation techniques, BFL is not required to maintain any additional capital. BFL's risk management framework is further detailed in note no. 49 of standalone financial statements and note no. 48 of consolidated financial statements.

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.

BFL has a strong governance framework which ensures that the Board of Directors and its committees approve risk strategies and delegate appropriate credit authorities. Robust underwriting practices and continuous risk monitoring ensure that portfolios stay within acceptable risk levels. It has a Board approved 'Sustainable Business Strategy Policy' which clearly lays down business and risk management principles of the Company.

The Company has deeply invested in its risk organisation structure that includes dedicated credit risk units for each business vertical; business specific units such as underwriting, risk containment and fraud control, payment risk; and horizontal risk analytics, business intelligence and operational risk management units. In addition, BFL continues to invest in debt management services capacity.

Through prevention and deterrence actions, the risk containment and fraud control unit is responsible for preventing frauds perpetrated by customers, sourcing channels and internal employees either alone or in connivance with others. It ensures that the relevant fraud checks are performed well before any disbursement of loan through an inbuilt advanced fraud controls analytics in its loan origination system. The fraud check rules are periodically updated based on new learnings.

BFL has enabled all its employees and agencies to flag any suspicious activity or transaction on the core lending system which then goes through extensive checks by the fraud control unit.

BFL's robust underwriting process and vigilance on portfolio quality have ensured that risk at an overall level is within the defined corridor thresholds.

BFL's loan losses provisions for FY2025 were ₹ 7,966 crore versus ₹ 4,631 crore in FY2024. The increase is on account of multiple reasons. Some of these were: macro level deterioration, increased leverage in unsecured loans, global uncertainties impacting the domestic market and rising stress across banking industry.

Through FY2025, the personal loan segment including its rural segment remained impacted on account of higher flows. Necessary risk actions which were implemented provided some support. Given the concerns around leverage in unsecured lending, BFL refreshed its leverage framework to mitigate its impact on credit risk.

BFL continues to hold a macroeconomic provision of ₹ 67 crore as on 31 March 2025.

The Company's balance sheet continues to diversify with a higher composition of low-risk businesses like mortgages, auto loans and other secured businesses. It has also put in place a Board approved policy defining the exposure limits across the consumer retail business with further exposure limits for unsecured retail. These are monitored regularly and also shared with the Risk Management Committee of the Board.

BFL takes a 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. In FY2024, the Company registered with Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC) for seeking guarantee cover for its SME portfolio.

Thus, BFL's balanced approach to portfolio management coupled with rigorous portfolio review has enabled it to identify early warning signals and take corrective actions. With sophisticated analytics, BFL has maintained a healthy new business portfolio quality and taken risk mitigating policy actions with agility and precision.

Liquidity risk

BFL manages its liquidity risk in accordance with its Board approved Liquidity Risk Management Framework and ALM Policy which incorporates stipulations laid down by the RBI. The policy framework and the operational parameters are regularly reviewed by the Asset and Liability Management Committee (ALCO) set-up in line with guidelines issued by the RBI, which ensures that there are no material imbalances or excessive concentrations on either side of the balance sheet. BFL follows a prudent approach for managing liquidity and ensures availability of adequate liquidity buffer to overcome mismatches in case of a stressed market environment.

BFL regularly monitors the gap between maturing assets and liabilities across all time buckets. Its robust liquidity management framework ensured that it had enough liquidity throughout FY2025 to meet its debt service obligations and balance sheet growth. Indeed, there was no disruption despite the tight liquidity environment prevailing during the year.

BFL exceeds the regulatory requirement of Liquidity Coverage Ratio (LCR) introduced by the RBI in FY2020. BFL's LCR as on 31 March 2025 was 124.93% compared to the regulatory requirement of 100%.

The Company's liquidity management is elaborated in detail in the section on 'Credit Rating and Asset Liability Management (ALM)'.

Operational risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, or human factors, or from external events. This is further elaborated in the section 'Operational Risk Management'.

Market risk

Market risk arises from fluctuations in the fair value of future cash flows of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.

To effectively manage market risk on its investment portfolio, BFL follows a prudent investment policy which guides its investment decisions. BFL has invested its surplus funds mainly in government securities, state development loans, treasury bills, liquid funds and deposits with banks and money market instruments of highly rated financial institutions and banks. It calibrates the duration of investment portfolio to balance the twin objectives of maintaining liquidity for businesses and minimum impact of fair value changes on its investment portfolio.

Interest rate risk

BFL is exposed to interest rate risk on its investment portfolio and interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles. BFL raises funds from diversified sources like deposits, money market borrowings, term loans and short-term borrowings from banks and financial institutions, foreign currency borrowings, among others. Fluctuations in interest rates can occur due to both internal and external factors. Internal factors include composition of assets and liabilities, maturity profile, pricing of borrowings and fixed and floating nature of assets and liabilities. External factors include macroeconomic developments, competitive pressures, regulatory developments and global factors.

BFL monitors the impact of fair value changes on its investment book using Value at Risk (VaR), PV01, modified duration, and these parameters are defined in its Board approved Investment policy. Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis to measure the impact of such interest rate movements on its balance sheet. This is computed monthly and sensitivity of the market value of equity assuming varying changes in interest rates is presented and monitored by ALCO.

BFL's prudent interest rate risk management ensured that amidst a rising interest rate environment, BFL had no significant mark to market impact on its investment portfolio nor on its net interest margin.

Price risk

BFL's quoted equity investments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, BFL periodically monitors its investment and performance of the investee companies. Mark-to-market gains/(losses) are measured at the reporting date.

Foreign currency risk

BFL is exposed to foreign currency fluctuation risk mainly for its External Commercial Borrowings (ECB). BFL'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 a maturity less than five years to hedge minimum 70% of its ECB principal and coupon. As a matter of prudence, BFL has always hedged the entire ECB exposure for the full tenure as per Board approved interest rate risk, currency risk and hedging policy.

Bajaj Finance considers foreign currency exchange rates, tenure of ECB and its fully hedged costs while raising funds through ECB. It manages currency risks by executing Over The Counter (OTC) derivative contracts as hedge positions. These are governed through the Board approved interest rate risk, currency risk and hedging policy.

Debt Management

Apart from risk management, BFL focuses on a robust debt management strategy to ensure that its delinquent debt portfolio is kept at minimal levels. It accords debt management an important place in its portfolio management strategy; and has a dedicated structure to follow a strict protocol for missed payments. BFL considers debt management as a service to customers to enable fair and ethical recovery of delinquent accounts and past-due payments.

BFL continues to invest in its debt management service structure, service organisation, processes, trainings of employees and agencies and ensures strict adherence of compliance requirements and controllership by leveraging technology to follow a non-intrusive debt management mechanism. It follows a strong governance model for its debt management practices and ensures strict adherence to the regulatory and internal policies, code of conduct and fair practice code. It offers a choice to customers to make overdue payments through digital channels, branch walk-in, at retailer points as well as door-step debt management services.

The debt management journey begins well before the customer's instalment falls due. As a matter of good customer service, BFL sends advance intimations to all its customers five to six days before the instalment falls due, to enable customers to maintain adequate funds in their bank account. This practice ensures that the credit history of a good customer is not impacted by any unintentional default.

The journey is expanded further to counselling of customers towards creating a good repayment behaviour by clearing subsequent EMIs directly from the given bank account. BFL has invested in service call centres to counsel customers after the payment of overdue EMI.

BFL follows a graded communication approach with delinquent customers across their repayment lifecycle. These clearly indicate: (i) the importance of timely payment, (ii) avoidance of penal charges, (iii) available payment channels and (iv) payment confirmation. These communications are also made in vernacular language via multiple channels like SMS, email, tele-calling and in-person visits.

BFL has a dedicated structure aligned with business verticals for servicing customers: (i) with current month outstanding; (ii) in early delinquency; and (iii) in NPA and write-off stage. It uses multiple modes such as employees, call centres, digital channels, field agencies and legal channels for debt management.

In an endeavour to follow a non-intrusive debt management practice, BFL collects an electronic clearing mandate from its customers. In case of dishonour of bank instrument, BFL provides customers with 30 different digital payment options such as NEFT, RTGS, Bharat Bill Payment Service (BBPS), UPI, CC Avenue, Wallets, Google pay, payment banks, etc. These channels, along with branch walk-ins, account for approximately 51% of debt management volume.

In November 2022, BFL received its Debt Recovery Agents (DRA) training accreditation from Indian Institute of Banking and Finance (IIBF). Since then, the Company has been continuously investing and providing online DRA training to its agents. After completion of online training, agents appear for a DRA certification test conducted by IIBF. The success rate of agents to clear the exam is around 80%. BFL has planned to cover all its DMS agents with DRA certification on an ongoing basis.

Over the years, BFL has taken various measures to strengthen its debt management process, some of which are enumerated below:

- Setting up a centralised call monitoring infrastructure for its outsourced debt management services agency network to improve controllership. All agents are required to make collection calls only through this infrastructure. All calls are recorded and monitored periodically to ensure compliance of the debt management code of conduct.
- Opening dedicated debt management service desks across 38 branches (including top locations and sensitive markets) to address debt related queries of walk-in customers. BFL is committed to expand coverage of this model across more cities in future.
- Setting up a centralised helpdesk for assisting and processing debt management services' related requests.
- Forming a dedicated in-house team and a centralised calling unit to enable speedier resolution of debt management related complaints of aggrieved customers.
- Implementing a Debt Recovery Agent (DRA) certification process for its agents, where 34,736 DRAs have been certified till date. There is a plan to add additional 20,000 trained and 15,000 DRA certified agents in FY2026.
- Setting up a dedicated team of advisors in service centres to address and resolve queries of delinquent customers raised over phone through a customer care number of BFL.
- Seeking customers' rating on the debt management services agent interaction.
- Significantly strengthening its compliance framework to ensure strict adherence by the debt management service agencies of its code of conduct policy and fair practice code. This framework lays down a penal staircase for non-compliance. BFL investigates every customer complaint pertaining to debt management services and takes appropriate corrective and penal action. It has developed 171 videos in 10 vernacular languages which form part of the training module on its debt management services mobility app. These provide clear understanding to agents on the do's and don'ts while interacting with a customer.
- During the year, BFL further strengthened its DMS function by adding over 6,200 resources to ensure increased geographical reach for better recoveries.
- In FY2025, it introduced a new initiative for a certain segment of delinquent customers in which, for the initial two to three days, physical interaction with these customers is reduced. Instead, reliance is placed on automated payment notifications to nudge these customers towards honouring their payments.

Portfolio Quality

BFL has the experience of lending and servicing almost 102 million customers. Most businesses are focused on acquiring mass affluent customers – who represent bigger wallets, larger cross-sell opportunities and more acceptable risks. BFL has not only diversified risk across millions of customers and product categories but also diversified its risk portfolio in 1,582 urban and 2,681 rural locations in India.

Product diversity has further strengthened over the past years and the portfolio continues to shift the mix towards secured lending: for instance, mortgages now form 31% of BFL's consolidated AUM. Simultaneously, high risk products like two- and three-wheeler finance now contribute less to the consolidated AUM: now at 4%. It also continues to deepen geographical presence and has added 118 locations to take the total presence to 4,263 locations. BFL's rural businesses now contributes 7% of the consolidated AUM.

BFL continues to re-pivot its mix towards lower risk assets like mortgages and new car loans. It also continues its strategy of 'acquire and cross-sell' to manage cost and portfolio risk, based on its experience that an existing customer typically demonstrates significantly lower credit risk than a new one. This ensures acceptable risk across portfolios over the cycle.

As part of its long-range strategy, BFL is further expanding its product offering in newer business segments. During the year, it entered into new businesses like commercial vehicle finance, third party inward assignments, solar finance, auto finance lease and industrial equipment finance in lending; and Fastag and Bajaj Prime in the payments' space.

As mentioned earlier, the Company ended the year with a gross NPA of 0.96% and a net NPA of 0.44% on a consolidated basis. These metrics not only surpass the pre-pandemic levels but are also among the best in BFL's history. It is also carrying a macroeconomic provision of ₹ 67 crore as on 31 March 2025. The provision coverage on non-NPA assets, excluding the overlay provision, stood at 116 bps and at 118 bps including the macroeconomic overlay provision.

Operational Risk Management (ORM)

Operational risk is the risk of loss resulting from inadequate or failed internal processes, systems, human factors or from external events. It includes legal risk but excludes strategic and Reputational Risk. Operational risk is inherent in BFL's business activities, as well as in the related support functions. The goal is to keep it at an appropriate level relative to the characteristics of BFL's businesses, the markets in which it operates and the regulatory environment.

The RBI's guidance note on Operational Risk Management and Operational Resilience, issued on 30 April 2024, aims to help Regulated Entities strengthen their Operational Risk Management Framework (ORMF) and enhance operational resilience within the interconnected financial system. BFL has put in place a Board-approved Operational Risk Management Policy which outlines the governance structure and processes for managing operational risk. The policy involves assessing and measuring risks, monitoring them closely, and implementing mitigating measures through a structured governance framework. A management level Operational Risk Management Committee (ORMC) has been put in place to oversee implementation of the Operational Risk Framework.

The ORM Framework of BFL enables systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of the operational risks. The key objective is to enable it to ascertain an increased likelihood of an operational risk event occurring in a timely manner and to take steps to mitigate the same. It starts with identifying and defining key indicators (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 these to measurable and quantifiable metrics, setting tolerance thresholds for these and monitoring and reporting on breaches of the tolerance levels. Corrective actions are initiated to bring back the breached metrics within their acceptable thresholds by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events.

- BFL uses '3 lines of defence model' as a key component to manage its operational risks.
- The businesses and functions play a critical part in managing operational risk daily.
- BFL has also defined internal control practices across all processes, units and functions for the management of its day-today activities. It has established a 'Customer Complaints Root Cause Analysis' team to fix policy and process gaps that lead to customer complaints. In addition, it has cross-functional teams to identify and implement process changes keeping customer expectations in mind.
- The operations unit has a dedicated process compliance team for concurrent audits to monitor adherence to laid down policies and processes. Controls on operations processes executed from branches and the Head Office are managed through defined processes to be adhered to by customer facing and operations staff.
- Frauds are investigated to identify the root cause and relevant corrective steps are recommended to prevent recurrence. The risk team deliberates with senior management on high value fraud events and advises preventive actions.
- Risk identification and continuous monitoring of risk is carried out at multiple levels through the tracking of key indicators (KRIs/KPIs).
- BFL has opted for a bottoms-up approach to risk identification, where internal compliance teams embedded across businesses and functions drive ownership and culture of minimising operational risk by developing a strong control culture and, hence, making it the first line of defence. These units also monitor adherence to policies and processes laid down by the organisation which cover the length and breadth of the customer life cycle.

In BFL, internal compliance consists of following units which cover the length and breadth of the customer life cycle.

- **Sales Compliance unit:** Embedded in business units with focus on controls in the sales units around onboarding of customers across areas like information security, process lapse, misinformation, and mis-selling.
- **DMS Compliance unit:** Embedded in debt management services ensuring strict adherence of code of conduct policy and fair practice code by the debt management services agencies. It also enforces a penal staircase for non-compliance. BFL investigates every customer complaint pertaining to debt management services and takes appropriate corrective, preventive and penal action.
- **Process Compliance unit:** Embedded in operations to monitor processes focused on customer transactions, services and all customer interactions.
- **Technology Compliance unit:** Embedded in the information technology unit with focus on internal and external environment consisting of network, applications, quality, cloud services, data management, security and review of rules and regulations.
- **Risk unit:** Focus on product programme and related credit policy adherence in the loan book. The activity aims at making sure that loans which are disbursed adhere to the policies and procedures put in place by the organisation.

Technology

Technology is at the forefront of BFL's business transformation journey, and it has continuously leveraged existing and emerging technologies to launch new products, accelerate customer acquisition and improve customer experience along with simplifying the back-office processes.

Business Applications

As Bajaj Finance continues to enhance its product offerings, this year saw the introduction of new acquisition workflows for Solar Finance, Affordable Home Loans, Auto Corporate Lease and Commercial Vehicle Finance across both retail and fleet segments. During FY2025, the Company successfully transitioned its complete loan portfolio to a new core lending platform. The Company created a scalable middleware infrastructure to manage its multiple digital channel partnerships which is currently live with Airtel and Google Pay.

BFL has a suite of applications for its field sales, DMS team and partners, known as the SalesOne App, the DMS One App and the PartnerOne App.

- **SalesOne App:** This is being enhanced for better engagement and productivity, which includes multilingual support (Hindi, Tamil, Marathi, Bengali) and a knowledge repository for business SOPs, etc.
- **DMS One App:** DMS One is also enhanced with features like UPI collect request, Digital QR, DMS CRM information for customer insights, along with multilingual support in 8 languages.
- **PartnerOne Portal Capabilities:** The PartnerOne portal now includes functionalities for Direct Selling Agents (DSAs) and Independent Financial Advisors (IFAs), facilitating master affiliate frames, FD renewals for partner customers, sourcing for tractor finance and integration of referral DSAs.
- **MerchantOne:** This platform combines the features for payment and loan merchants such as onboarding, lead management, reporting dashboards and NOCs. In the process, the Company has re-architected the platforms front end and back- end design.

BFL introduced Product on Demand (PODs) few years back to streamline features across sourcing and servicing channels. It continues to enhance its functionalities like Video KYC, Face Authorisation for better KYC experience, multi-party signing for agreements in Document POD and Mandate Registration through UPI.

Data Lakehouse Platforms

BFL completely transitioned from a structured Data Warehouse to a Data Lakehouse platform storing structured and unstructured data in single repository. This transition eliminates data duplication for Extract, Transform and Load (ETL) and reporting, providing a single source of truth for all users while reducing latency in data availability.

With implementation of the Enterprise Streaming Platform, real time information for specified events is available across various activities. The Company continues to enhance data governance by anonymising variables in the Lakehouse, data masking and enhancing variable tagging with Personally Identifiable Information (PII) or non-PII, thereby enabling stricter data security controls.

Customer Data Platform (CDP)

The Company's Data Cloud (CDP) now seamlessly integrates all business channels – Call Centre, WhatsApp, SMS, Email, RCS, Social and Notification – providing a unified customer view for personalised campaigns, improved engagement and conversion rates, along with robust data and communication governance. This will help in implementation of omnichannel orchestration for better customer experience across channels.

Blockchain

For FY2025, BFL approved two blockchain use cases spanning the insurance and banking domains, and selected Hyperledger Fabric (HLF) as the product. The insurance-related blockchain initiative aims to enhance trust, operational efficiency, and collaboration by providing near-real-time policy updates across all six lifecycle events of insurance. BFL went live with one partner in January 2025, contributing 15% to the total insurance volume and initiating 3.21 lakh policies over a distributed peered network at an enterprise scale. It plans to go live with another partner in July 2025, contributing an additional 33% to the total insurance volume, bringing the total coverage to 48%. This initiative achieves a 100% reduction in manual insurance data exchanges, ensuring real-time visibility, zero data tampering and seamless integration with the existing core system and process.

In banking, the focus is on implementing pre-debit notifications (UPI-PDN) use cases to enhance banking operations. BFL plans to go live with a key partner in Q1 FY2026. This approach eliminates the need for manual sharing of PDNs with partners, ensuring real-time processing and providing customers with instant EMI updates through any BFL Digital channel. This transition aims to increase transaction efficiency by 25% in FY2026. Partners can simply hook onto the network as peers and operate at an enterprise scale.

Infrastructure

The Company is committed to deliver robust and reliable platforms with enhanced infrastructure and seamless user connectivity as it expands its physical and digital presence. To safeguard system uptime and mitigate potential risks such as data loss, financial exposure, and reputational harm, it is focusing on automating its Disaster Recovery (DR) capabilities. Regular and surprise DR drills are conducted to assess the recovery capabilities of its critical IT applications. Additionally, its multi-cloud strategy is designed to minimise reliance on a single cloud service provider, thereby enhancing IT infrastructure resilience.

Cyber Security

Safeguarding BFL's systems and protecting customer data remain paramount. The Company's commitment to cybersecurity is unwavering as it continuously elevates its defences to counter evolving threats and ensure trust in its operations.

In FY2025, BFL advanced its security posture through strategic initiatives designed to fortify its infrastructure and enhance resilience.

Key projects included the implementation of Database Activity Monitoring to provide real-time visibility into data access and usage, ensuring the integrity of sensitive information. BFL deployed Network Behaviour Anomaly Detection to identify and mitigate potential threats by analysing deviations in network traffic patterns. To secure endpoints, the Company adopted Application Whitelisting, allowing only authorised applications to run, thus reducing the risk of malware and unauthorised access. The Company's network security was further strengthened with the deployment of Network Access Control (NAC) integrated with posture management, ensuring only compliant devices gain access to its ecosystem. The Company also replaced its legacy internet proxy with an advanced Zero Trust Proxy Solution, enforcing strict access controls and continuous verification to minimise vulnerabilities.

BFL continued to enhance security around its consumer mobile app by implementing app-based controls which helped in detecting and blocking attacks on the app. Furthermore, BFL deployed a cloud-based platform to quickly detect, investigate, and respond to cyber threats, effectively managing the vast volume of telemetry data collected from its technology and security platforms.

These initiatives reflect BFL's proactive approach to cybersecurity, prioritising customer data protection and operational integrity. By leveraging cutting edge technologies and industry best practices, the Company is taking its security framework to the next level.

Looking ahead to FY2026, BFL will continue to enhance its security posture by advancing proactive threat-hunting measures and implementing a Zero Trust framework, grounded in the "Trust and Always Verify" doctrine across devices, applications, data networks, and identities.

Dedicated IT Compliance

The IT compliance department has been strengthened by a team of subject matter experts possessing extensive expertise in IT outsourcing, IT infrastructure and application stacks. This team works in synergy with business, support, and operations units to ensure effective management and monitoring of compliance risks and provides insightful guidance on regulatory requirements. Team will continue to focus on compliance measures across vendor assessment, improved secure coding guidelines and creating extensive Software Bill of Materials (SBOM).

Technology Innovation & Collaboration Centre (TICC)

BFL's Technology Innovation & Collaboration Centre (TICC) has continued to serve as a dynamic catalyst for technology exploration, adoption and collaboration. As a central hub for innovation, TICC has played a pivotal role in evaluating, integrating, and accelerating technology solutions aligned with the organisation's strategic goals. The Startup engagement is a core pillar, with outreach to start-ups across AI, blockchain, security and localisation supporting the organisation's digital transformation. Throughout the year, TICC drove multiple on-floor engagements, including Tech Days, AI Fests, various partner evaluations and multiple OEM sessions.

IT and Tech People

BFL is steadfast in its commitment to investing in technology, and recognises its crucial role in driving innovation and business growth. As part of this focus, it has strategically expanded efforts in finding and grooming the IT and technology talent pool. The Company has the right set of sourcing channels to attract and secure best-in-class technology talent available in the industry. By empowering its employees with the tools, knowledge and the training they need, BFL ensures that its workforce remains not only highly skilled but also adaptable and future-ready.

Artificial Intelligence (AI)

AI has become a cornerstone of innovation, fundamentally reshaping industries by driving automation, enabling data-driven decision-making and unlocking new levels of personalisation. However, its sustainable future hinges on developing viable business models across both consumer and enterprise domains. In December 2024, BFL introduced the i 3.0 strategy, embarking on a transformative journey to become a FINAL company. This evolution is fuelled by an advanced AI-driven technology architecture that integrates intelligence across all processes, enhancing customer engagement, boosting revenue, reducing operational costs, optimising credit risk, improving productivity and strengthening financial governance. In this journey, BFL remains committed to responsible AI principles – ones that ensure fairness, transparency, privacy and security.

Some early successes were achieved in FY2025, which are listed below:

1. AI Voice BOTs in Personal Loan Business: An AI-powered voice automation generated leads, enabling the disbursement of nearly ₹ 1,500 crore in loans.
2. AI-Enabled Document Processing and Quality Control: AI has been implemented to extract information from documents across processes. This has eliminated manual document verification in the processing of over 3.5 crore documents.
3. AI-Powered Service Chat on Bajaj Finserv App: Resulted in accelerated query resolution and thus reduced 70% of service requests.
4. AI-Agents for Service Email Automation: 18% of service emails are now autonomously processed through Service CRM AI-agents.
5. Co-Pilot for SDLC Activities: AI-assisted development efficiencies within the Software Development Life Cycle (SDLC).
6. Generative AI for Content Creation: AI now produces 100% of search engine optimisation (SEO) content, 71% of the videos and 36% of digital banners, marking a major shift in digital content generation.

BFL is simultaneously developing a comprehensive AI governance framework, ensuring compliance across AI-generated content, videos, voice interactions, document processing alongside the prompts, data and infrastructure supporting various AI PODs. Each AI POD is being designed with robust access management, security protocols, governance guardrails, auditability, KPI monitoring and cost controls.

Digital platforms

In FY2025, Bajaj Finance solidified its digital leadership, with the Bajaj Finserv App reaching over 113.63 million installs and engaging a net user base of over 70 million, complemented by 300 million website visits. In the process, the Bajaj Finserv App became one of the highly rated financial services app on Play Store with a 4.9 user rating.

Aligned to BFL's customer experience objective, a key achievement was the successful unification of its app and web platforms into a single digital stack, ensuring a consistent user journey. This integrated ecosystem saw the strategic deployment of Generative AI, which enhanced content creation by refreshing 31,000 banners (of which 36% via AI) and powered a highly successful Chat feature with 1.46 million monthly users, leading to over 70% reduction in service requests.

Strengthening its underlying digital architecture, BFL implemented module federation for streamlined development and deployment, alongside image and cache management for optimised asset delivery and improved app performance. Additionally, dynamic banner implementation has provided agile content management, while the integration of an AI-powered code review tool has ensured early detection of development-stage bugs.

To further enhance inclusivity for 'Bharat', the Company expanded the vernacular content to over 17,000 Hindi website pages with plans for broader bilingual support across the web and app in FY2026. Further in-line with its long-range plan, the Social Platform went live introducing engaging live influencer channels for Bajaj Finance offerings. BFL's digital platforms also saw the launch of Bajaj Prime, a value-added membership programme, and the addition of numerous features – bringing the total features to 770 across 73 product variants, with a future pipeline of 615 more features.

Embracing the vision for an open digital economy, the Company integrated the government-backed Open Network Digital Commerce (ONDC) network through its partner and launched personal loan offerings as a Seller Network Participant, thus democratising credit access.

Analytics

Data, technology and analytics have been fundamental to BFL's digital transformation over the last few years, serving as key enablers of the Company's ability to innovate and scale. With significant investments in these areas, BFL is already past a critical juncture where data-driven solutions are not only integrated into core business processes but have become a standard operating practice across the entire customer lifecycle.

Through strategic investments in technologies such as Big Data and Cloud Computing, BFL has unlocked sophisticated data science techniques that address complex business challenges and elevate its decision-making capabilities. Integration of business intelligence and advanced analytics solutions spans across almost every facet of BFL's operations, including customer acquisition, cross-sell, propensity modelling, risk management, debt management, operational efficiency, and customer service.

Every business vertical within the organisation is empowered by highly skilled analytics and data science teams and cutting-edge technologies, facilitating the seamless adoption of digital platforms as part of BFL's omnichannel strategy, ensuring its presence at every point of customer interaction. At the same time, BFL remains vigilant in protecting customer privacy, ensuring that all cross-sell offerings are made with explicit customer consent.

BFL's analytics and portfolio insights' capabilities have also evolved from broad, high-level analyses to more granular, highly specific solutions tailored to the needs of its diverse customer base.

Further, this year, BFL has rolled out a key initiative as part of its Long-Range Strategy to transform BFL into a FINAI company. To this endeavour, BFL has constituted a centralised AI unit, responsible to drive 20 broad AI strategies across Conversational (Voice) AI, Conversation (Text) AI, Vision AI, Content AI and Agentic AI use cases, with a view to transform all the aspects of BFL's business processes and operations using advanced AI technologies.

Few key milestones in BFL's journey towards technological and analytical excellence include:

- BFL's entire data ecosystem and analytics are hosted on Microsoft Azure, which offers flexibility and scalability required to handle complex Big Data workloads, and supports over 1,500 active users in a dynamic, high-performance environment.

- Extensive usage of Microsoft Fabric and Power BI for high-frequency KPI monitoring and in-depth analysis of numerous data combinations, which empower business units to make precise and granular data-driven decisions.
- The Company has seamlessly integrated with the Account Aggregator (AA) ecosystem, utilising consent-based information for real-time underwriting. This approach shifts from traditional data silos to a more integrated, customer-centric model, enhancing overall customer experience.
- BFL invests in products across all credit bureaus to enhance its 360-degree view of customer creditworthiness, enabling more informed and timely credit decisions using a multi-bureau framework.
- The Company continues to expand and refine its statistical models to manage risk across the credit lifecycle, including acquisition, account management and debt management. Enhanced capabilities from banking data insights introduce new variables, thus improving the precision of risk models.
- BFL's advanced risk analytics ensure adherence to ECL provisioning requirements, while continually enhancing governance frameworks, model monitoring, and validation to support sustainable risk management.
- Established a Board-approved Model Risk Management policy to create a framework for identifying, assessing, monitoring, and mitigating risks related to model development and use. This ensures models are utilised safely, effectively and in compliance with regulations.
- Utilising advanced analytics, BFL offers highly personalised loan products and services through its digital platforms. Integrating real-time, data-driven solutions for product recommendations, targeted cross-sell opportunities and efficient capacity planning enhances business processes, driving customer satisfaction and business growth.
- Leveraging cutting-edge data infrastructure, BFL has implemented real-time controls across various decision-making and operational processes. This significantly strengthens BFL's credit and operations risk management framework, and ensures proactive risk identification and mitigation.
- BFL has integrated AI solutions into several customer-facing processes to enhance customer experience and expedite query resolution and service requests. Additionally, AI has been applied to employee-facing processes to boost operational efficiency, such as using Tech AI to accelerate software deployment and conversational AI to manage frequent queries about people policies.

BFL is committed to data-driven decision-making throughout the organisation, cultivating a culture of analytics and continuous improvement. By democratising data science and establishing Centres of Excellence, BFL empowers teams to address everyday challenges with data-supported solutions. This is reinforced by investments in training programmes and the BFL BYTE campus hiring initiative, aimed at attracting top technology and data science talent.

In summary, BFL's focus on leveraging data, advanced analytics and cutting-edge technologies like AI is reshaping its business landscape, driving both innovation and operational excellence. By embedding these capabilities into every facet of the business, BFL is not just meeting the demands of the present but positioning itself for sustainable success in the future.

Customer Service

BFL strives to deliver exceptional customer experience by proactively addressing and reducing complaints over time. This involves consistent efforts to revamp processes, extend self-service options across multiple channels, and utilising technology-based solutions for a more profound customer engagement experience.

Moreover, BFL has dedicated teams which engage in customer resolution management as well as related automations. It evaluates the performance of customer-facing channels based on key service parameters and collects valuable Voice of Customer (VOC) and feedback to enhance customer satisfaction. To keep customers notified and resolve their queries and requests effectively, the organisation is widening and diversifying its communication and service channels continuously.

Monitoring transactional Customer Satisfaction (CSAT) scores across all channels for multiple service interactions enables BFL to review the effectiveness of its customer engagement initiatives. As of 31 March 2025, BFL has received over 16.50 million responses and achieved a CSAT score of 97%.

Digital self-service

Currently, BFL has implemented more than 25 service modules and over 340 service processes on both its app and website. These self-service digital platforms enable customers to perform a wide range of tasks in real-time, such as updating demographics, renewing fixed deposits, making payments, downloading statements of accounts, setting up e-mandates, and more.

In FY2025, there were more than 73 million successful viewings, shares or downloads of account statements. Starting from April 2024, over 17 lakh customers updated their demographic information through the app and website. To improve the customer experience, the Company has made the Statement of Account (SOA) and Repayment Schedules (RPS) in 20 vernacular languages.

BFL adheres to the Fair Practice Code (FPC) guidelines by providing transparent breakdown of relevant loan information. This information is available on both the app and website. Welcome letters and Key Fact Statements (KFS) can be easily accessed on both platforms.

During FY2025, significant enhancements were made to the Interactive Voice Response (IVR) channel, managing approximately 1.8 million monthly and 22.1 million yearly calls. Key initiatives included implementing 18 new DIY modules for better self-service, introducing UPI Collect and App Payment Links for payments, and launching an AI Voice BOT Virtual Assistant for the Existing Loan module. Notable achievements consisted of a 94% DIY resolution rate, reduced agent transfers, optimised headcount by using less agents and achieving a 90% CSAT for voice interactions.

These efforts have transitioned the IVR into an AI-driven, scalable platform, yielding operational savings and better customer experiences. The plan for the future involves evolving to Conversational IVR and Pay Over Voice to facilitate seamless transactions without dial-pad inputs. The IVR has become a strategic tool for enhancing efficiency, automation and customer satisfaction.

The adoption rates for self-service are at 86%, with contributions of 87% and 95% from the app and web respectively. Additionally, self-service through IVR has reached a rate of 94%.

FY2025 has seen a decline in branch walk-ins owing to increasing digital presence. There has been a rise in digital payment transactions from 81% in FY2024 to 83% in urban areas. However, rural areas witnessed a slight drop in digital payments from 73% in FY2024 to 71% in FY2025.

Fair Practice Code (FPC)

FPC is at the core of dealing with customer and to reinforce its commitment to regulatory compliance and customer-centricity, BFL established a dedicated FPC unit last year. This unit actively collaborates with all businesses and functions to ensure adherence to regulatory guidelines and proactively identify opportunities for improvement. An approved Product Program and Audit Framework, underpinned by baseline FPC metrics, track the charges levied and guarantees precision in every loan processed. Through continuous oversight and timely interventions, the FPC unit ensures transparency, fairness and accountability across all operational processes.

The FPC audit framework has helped reduce error rates significantly. This, coupled with establishment of Change Governance Board (CGB) to streamline change management and proactive corrective actions including customer refunds, has led to significant enhancement of FPC practices within BFL.

A revised Key Fact Statement (KFS) was introduced by the RBI in April 2024, with an implementation deadline of 1 October 2024. However, BFL had proactively implemented the new KFS across all lending businesses, including MFI and digital lending loans. Additionally, BFL introduced all service documents, including SOA, Foreclosure Letters, NOCs, and NDCs, in 20 vernacular languages, along with loan journey communications like loan approval status and e-agreement notifications. Furthermore, it established a dedicated concurrent audit unit that focuses exclusively on the FPC process, ensuring strict compliance with guidelines through faster corrective and preventive actions across all businesses and functions.

RBI Ombudsman & Internal Ombudsman

Internal Ombudsman (IO):

- BFL has implemented the Internal Ombudsman (IO) scheme to independently review the resolution provided by the Regulated Entity (RE) in cases of wholly or partially rejected complaints, as per the RBI's 'Master Direction – Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023'.
- The Office of the Internal Ombudsman helps organise meetings with internal teams based on complaints and escalations received, working with internal departments and stakeholders for timely closure of identified actionable items.
- BFL has 2 IOs supported by a 4 member team responsible for case screening, review, secretarial work and examination of resolutions provided in such cases, as well as the escalations received from the regulator.
- All escalations are vetted and reviewed by the IO before submitting the response to the RBI Ombudsman offices. The IO referral process is managed through BFL CRM, and the decisions of the IO have not been overruled by BFL.
- The IOs are permanent invitees to the Customer Service Committee of the Board (CSCB) and participate in bi-annual reviews with the Managing Director and monthly meetings with internal teams.

RBI Ombudsman:

- BFL has a dedicated team that handles concerns or complaints raised by customers and escalations received from various offices, including the RBI Ombudsman, Consumer Education and Protection Department (CEPD), and the Department of Supervision (DOS). This team strives to provide timely responses to all customer escalations received from the RBI offices, adhering to prescribed timelines.
- The RBI escalation handling team consists of 10 members responsible for timely resolution of customer escalations and liaising with the RBI Ombudsman offices to provide necessary clarifications/details for closure of customer escalations.
- To ensure quick response and resolution, BFL has established localised presence in Chennai, Kolkata, Chandigarh, Hyderabad, and Lucknow. All 24 RBI Ombudsman offices are internally mapped to nodal officers within BFL who ensure smooth and timely resolution of escalations.
- The team also focuses on reducing customer escalations through data analysis, customer interactions, and identifying root causes. Customer escalations received from various RBI offices have reduced from 2,635 in FY2023 to 1,932 in FY2024 and to 1,612 in FY2025.
- The team organises customer awareness and education programmes in coordination with and under the guidance of RBI Ombudsman offices. In FY2025, 7 offline awareness programmes were organised, covering students, office help staff, the public and others, attended by over 1,000 participants.

BFL has also taken following initiatives to reduce customer complaints:

- It has a dedicated Complaint Root Cause Resolution Unit (CRCR) team since January 2021, which conducts detailed root cause analysis of customer complaints to identify process or system gaps and take corrective/preventive actions.
- The "Grahak Sampark" initiative, started in April 2024, involves Deputy MD/senior team members virtually connecting with customers to hear their experiences. 17 meetings across 69 branches covering 219 customers were completed in FY2025.
- Under the Customer Service Committee framework, meetings were conducted at 1,075 branches during FY2025, with participation from 5,040 customers, including 1,160 women and 192 senior citizens. The coverage of branches includes FD, urban, rural, gold loan and MFI for these meetings.

Following are some of BFL's processes that have met the RBI expectations:

- The LHS approach to directives set by the RBI coupled with the Company's action plan ensures customer fairness under the oversight of the SBR and PPG committees. Under the LHS approach, the existing processes of the Company are compared with the directives of the RBI and gaps, if any, are identified and acted upon.
- BFL now offers KFS to all customers, both digital and non-digital, across retail and MSME products at pre-sanction stage in 20 vernacular languages.
- Effective grievance redressal mechanism is in place where multiple online and offline customer touchpoints have been set up for easy and transparent grievance resolution with over 95% resolution within 48 hours.
- The board-approved complaint classification document is in place, and quarterly updates are provided to the board.
- Adoption of digitisation and technology for data analysis and improving quality of services.
- Customer awareness programmes and campaigns.

Customer Communication

BFL has a dedicated unit to manage communication content and governance across the customer life cycle with BFL. It operates continuously to review, improve and drive customers communication through proactive and reactive engagements. Further, BFL has created hundreds of videos to promote self-service to customers who otherwise reach out through various touchpoints for their basic enquiries and servicing needs.

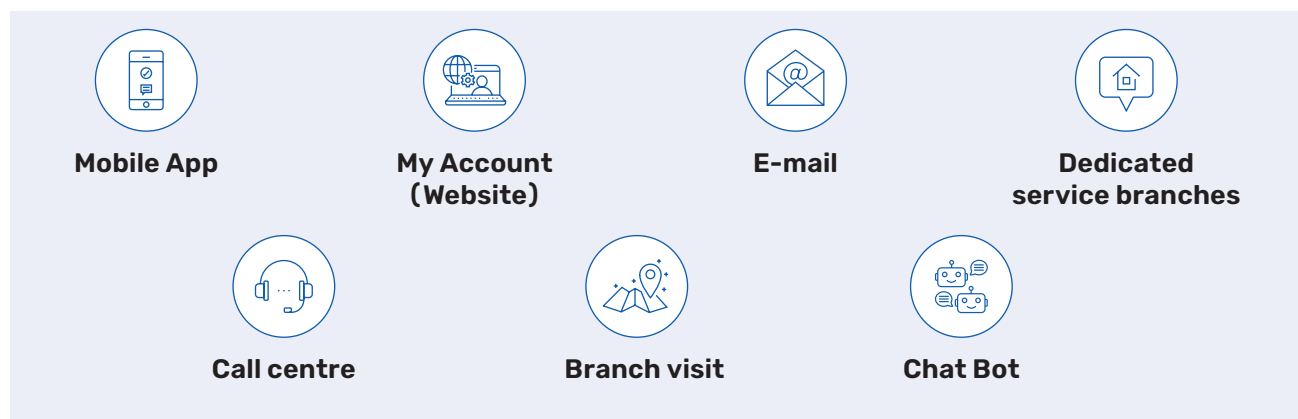
There is a strategic focus on enhancing communication management across the organisation. A dedicated team has been established to standardise communication content for various lifecycle events in alignment with governance standards. This centralised team collaborates with product, business, operations, service and debt management service units to manage communications for pre and post acquisition lifecycle stages.

Online Educational Campaigns

BFL has conducted extensive awareness campaigns about app adoption, the benefits of paying EMI on time, and the self-service options on social media platforms, including Facebook, X (formerly known as Twitter), Instagram, and YouTube. During FY2025, 27 such campaigns went live, with a total of 1,479 posts, including 769 static posts and 710 videos. These efforts generated some 137 lakh views.

Customer Service Channels

The following are the channels through which customers can connect with BFL to engage in self-service, raise concerns, requests, and complaints related to their loans, products, services, etc.:



Credit Rating and Asset Liability Management (ALM)

BFL enjoys the highest credit rating of AAA/stable from CRISIL, ICRA, CARE and India Rating for its long-term debt programme and A1+ from CRISIL, ICRA and India Ratings for its short-term debt programme.

BFL's deposits programme is also rated the highest with credit rating of CRISIL AAA/Stable and ICRA AAA/Stable.

These ratings reaffirm the high reputation and trust that Bajaj Finance has earned for its sound financial management and its ability to meet financial obligations. BFL also enjoys long-term issuer rating of 'BBB-' positive and Short Term Issuer rating of A-3 from S&P Global; it has also issued a Standalone Credit Profile (SACP) of 'BBB' to BFL.

During FY2025, Moody's Ratings has assigned international ratings of Baa3 as long-term issuer rating and P-3 as short-term ratings.

Baa3

Moody's international long-term issuer ratings assigned in FY2025

Thus, BFL enjoys investor grade long-term rating from both S&P Global and Moody's Ratings, which reflects its strong financial metrics.

BFL's consolidated borrowings were ₹ 361,249 crore as on 31 March 2025. Its Asset-Liability Committee (ALCO), set up in line with the guidelines issued by the RBI, monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet. BFL's business model lends itself to having an inherent ALM advantage due to large EMI inflow emanating from short tenor businesses which puts it in an advantageous position for servicing of its near-term obligations.

BFL funds its liquidity requirements through use of appropriate funding avenues involving various market instruments, bank borrowings, ECBs and deposits. Further, it ensures a healthy asset-liability maturity profile and keeps abundant liquidity in addition to meeting various regulatory requirements, viz. Statutory Liquidity Ratio (SLR) and Liquidity Coverage Ratio (LCR), as prescribed by the RBI. The liquidity management and resource mobilisation strategy achieved significant efficiency in BFL's sourcing of funds with an optimal mix of deposits and borrowings from banks and markets. It ensured that despite tight systemic liquidity conditions during FY2025, enough liquidity was available to meet its debt service obligations and business growth requirements.

At a consolidated level, BFL maintained an average liquidity buffer of ₹ 17,211 crore in FY2025, representing 5.26% of its average outstanding borrowings in FY2025. It had a consolidated liquidity buffer of ₹ 18,754 crore as on 31 March 2025, representing 5.19% of outstanding borrowings.

In FY2025, BFL raised approximately US\$ 1 billion of fully hedged ECB as term loans from multiple lenders. Additionally, BFL has extended the borrowing profile during the FY2025 through securitisation (Pass Through Certificates) for the first time. During FY2025, BFL started raising Priority Sector Lending (PSL) financing from banks for on-lending towards Small and Marginal Farmers (SMF) and Non-SMF borrowers under the PSL guidelines prescribed by the RBI. These additional channels of resource raising helped BFL to further diversify its borrowing profile as part of its Asset Liability Management.

The Company exceeds the regulatory requirement of Liquidity Coverage Ratio (LCR) introduced by the RBI in FY2020. This stipulates that all deposit taking NBFCs are required to maintain sufficient liquidity surplus in the form of High-Quality Liquid Assets (HQLAs) on an ongoing basis to withstand any potential liquidity disruption event. Such HQLAs are to be maintained as a percentage of cash outflows in a stressed scenario. BFL maintains HQLAs primarily in the form of treasury bills, government securities and cash.

BFL operationalised its Subsidiary General Ledger (SGL) account during FY2025. Consequently, it can transact directly in government securities rather than facilitating through Constituents Subsidiary General Ledger (CSGL). Henceforth, BFL shall hold all government securities which are maintained for the purpose of liquidity management in the Subsidiary General Ledger (SGL) and securities maintained for the purpose of Statutory Liquidity Ratio (SLR) in Constituents Subsidiary General Ledger (CSGL).

At present, the LCR requirement for BFL and BHFL is at 100%. As on 31 March 2025, BFL maintained a LCR of 124.93% and BHFL maintained a LCR of 192.81%. Both are well above the RBI's stipulated norms.

Table 7 gives the behavioural maturity pattern of BFL's asset and liabilities and depicts its prudent approach towards ALM management. As can be seen, BFL has maintained significant positive ALM position in 1-7 days bucket against RBI permitted negative ALM mismatch of up to 10%. Similarly, in cumulative ALM buckets like 8-14 days and 15-30/31 days, BFL has maintained significant cumulative positive ALM balances against RBI permitted cumulative negative ALM mismatches of up to 10% and up to 20% respectively.

Table 7: Behaviouralised ALM snapshot as on 31 March 2025

(₹ in crore)

Statement of Structural Liquidity as on: - 31 March 2025	1 to 7 days (one month)	8 to 14 days (one month)	15 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
Capital and Reserves and Surplus	-	-	-	-	-	-	-	-	-	87,996	87,996
Deposits	870	489	1,516	2,433	3,102	8,037	14,976	34,890	5,052	-	71,366
Borrowings from Commercial Paper	-	-	6,064	5,935	4,088	2,738	2,531	-	-	-	21,356
Borrowings from Banks/FI	4,416	3	789	1,797	3,259	3,851	15,544	42,805	7,430	165	80,059
Borrowings from Debentures	185	-	387	942	1,705	2,461	11,767	26,835	20,790	28,387	93,458
TREPS/REPO	15,311	-	-	-	-	-	-	-	-	-	15,311
Other Outflows	2,477	699	3,407	400	290	766	1,003	1,922	2,628	1,605	15,198
Total Outflows (A)	23,259	1,192	12,162	11,506	12,444	17,853	45,822	106,452	35,900	118,153	384,743
Cumulative Total Outflows (B)	23,259	24,451	36,613	48,119	60,563	78,416	124,238	230,690	266,590	384,743	
Cash, Cash Equivalents & Investments	18,024	-	11,505	1,140	1,023	2,101	4,265	3,757	145	12,208	54,167
Advances (Receivables under financing activities)	10,813	2,887	6,889	17,518	14,969	37,228	56,798	111,798	31,903	24,050	314,854
Other inflows	6,274	115	625	1,144	191	314	782	982	1,976	3,320	15,722
Total Inflows (C)	35,112	3,002	19,019	19,802	16,182	39,643	61,844	116,537	34,024	39,578	384,743
Cumulative Total Inflows (D)	35,112	38,114	57,133	76,935	93,118	132,760	194,605	311,141	345,166	384,743	
E. Mismatch (C - A)	11,853	1,811	6,857	8,296	3,738	21,790	16,022	10,084	(1,876)	(78,575)	
F. Cumulative mismatch (D-B)	11,853	13,664	20,520	28,816	32,555	54,344	70,367	80,451	78,575	-	
G. F as percentage of B	51%	56%	56%	60%	54%	69%	57%	35%	29%	0%	

The assigned portfolio outstanding as on 31 March 2025 stood at ₹ 4,473 crore on a standalone basis and ₹ 8,817 crore on a consolidated basis. BFL's judicious strategy of maintaining a longer duration for liabilities than assets, coupled with an optimal mix of borrowings between banks, money markets, external commercial borrowings and deposits has helped BFL to effectively manage its net interest margin throughout FY2025.

Human Resources

BFL is an equal-opportunity employer. People are its key assets and pillars of strength. The Company has adopted people practices that enable it to attract, nurture and grow talent in an increasingly competitive market. The Company's deeply embedded culture fosters an entrepreneurial mindset, humility to continuously learn enabled by an innovative mindset to ensure that consistent performance is delivered. BFL's policies and practices are designed to provide its talent with the best opportunities to contribute, learn and grow.

Attract, Retain and Nurture Talent

To meet its talent needs, BFL hires a mix of campus and lateral hires, ensuring a balanced inflow of qualified candidates. Its innovative Talent Acquisition (TA) Underwriting Practice goes beyond traditional hiring metrics, focusing on cultural fit and values alignment. This strategy helps build a workforce that embodies the Company's mission and values and fosters performance orientation.

By prioritising cultural fit, Bajaj Finance attracts top-tier talent from across the country, including those who might not excel in conventional recruitment processes. This inclusive approach champions diversity, bringing in varied perspectives, diverse backgrounds and eclectic experiences that drive creativity and innovation. The TA Underwriting Practice not only benefits the organisation internally but also has a profound impact on the broader community. This transformative hiring strategy underscores the Company's commitment to leadership and its role in shaping a better future.

During the year, the Company added over 10,600 full time employees and over 44,600 Fixed Term Contract (FTC) employees, transitioning work that was previously outsourced to manpower agencies. This move is expected to result in lower attrition and better controllership for the Company. Additionally, it provides these FTC employees with the opportunity to transition into Full-Time Employees (FTE) based on their performance, allowing them the chance to work for the Company for a longer period.

Employee Engagement

The Company has been actively working on enhancing employee engagement through various initiatives. These programmes are not only instrumental in enhancing trust but also serve as foundations upon which robust workplace cultures are built. They exemplify how structured communication frameworks can transform organisational dynamics, making these more transparent, inclusive and agile. The following initiatives reflect the Company's commitment to enhancing employee engagement.

- **Townhalls & Confluence** are crucial to BFL's communication approach. These addressed over 2,000 employee queries in FY2025. These initiatives foster transparency and open dialogue, with about 45% of employees participating virtually each quarter. Through "Confluence," senior leaders share crucial updates, strategies and financial insights, addressing queries openly. This enhances employees' understanding of BFL's organisational landscape and bridges communication gaps, making leadership more accessible. Quarterly town halls keep employees informed and engaged, providing insights into financial performance, strategic objectives and corporate updates, and ensure an open dialogue about future aspirations and challenges.
- The **"Own My Branch"** (OMB) programme exemplifies BFL's innovative approach to connecting leadership with employees across its extensive branch network. By facilitating interaction between senior management and branch employees, the OMB programme bridges the gap between the head office and regional branches. Each leader is tasked with overseeing two to three branches quarterly, ensuring a seamless execution of leadership vision and fostering trust among employees. Through this initiative, BFL has reached over 4,100 locations, engaging more than 1,000 leaders with nearly 48,000 employees.
- **"BOL"**, the Company's listening framework, is about Building Trust and Relationship, Open to Solve, and Listening to Understand. It has emerged as a remarkable channel for dialogue. The initiative's commitment to bridge communication gaps is demonstrated by its impressive engagement metrics. Connecting over 450 senior management team members with over 8,000 employees, "BOL" has facilitated a vast exchange of perspectives. The generation of over 4,000 feedback forms highlights its effectiveness in encouraging employees to share valuable insights and voice their concerns or suggestions for improvement. This level of connection creates a sense of belonging and empowerment among team members, who feel their voices are not only heard but also respected and acted upon.
- The launch of **BFL Social** on Viva Engage on 1 February 2023 marked a transformative step in how BFL, as an organisation, fosters communication, collaboration and celebration across its diverse workforce. Designed as an engagement platform, it serves as a dynamic hub, where over 52,000 employees engage, share ideas and recognise each other's contributions, transcending geographical boundaries and uniting us as a cohesive team. From its inception, BFL Social was intended to do more than just connect employees digitally; it was envisioned as a space that brings its vibrant organisational culture to life. BFL Social has created a sense of community that strengthens bonds and aligns its people with the Company's goals. It facilitates open dialogues on innovation, diversity, sustainability and more, enabling employees to learn, share their perspectives, insights and collaborate on problem solving initiatives. By blending work with play, BFL Social nurtures a workplace where collaboration is energised and enthusiasm is a daily experience.

Employee benefits and well-being

BFL's comprehensive approach extends to cover medical, financial and emotional support for employees and family members. The Company provides medical and life covers through group insurance policies. Annual health check-ups arranged by the organisation had approximately 24,000 employees assess their health status. Additional financial support to employees and their families for medical and other emergencies is extended through the curated programmes like iCare fund (an employee and Company contributory scheme) and Money-On-Call. Emotional support is available for employees and family members through an employee assistance programme led by experts.

Recognising the importance of well-being in employee satisfaction and productivity, the Company has implemented comprehensive health initiatives:

- **Physical and Mental Wellness:** Programs such as the Annual Health Check-Up with an employee participation of approximately 24,000, Emotional Well-being Month and "Stepathon" walking challenge have encouraged employees to prioritise their health. Mental health sessions, such as "Mansik Swasthya" catering to over 18,000 participants, has focused on building emotional resilience and promoting mental well-being.
- **Empathy-Driven Support:** Policies like "I Care" provide financial aid during emergencies, while flexible salary options, including fortnightly payments, ensure financial stability. In FY2024, over 3,800 employees utilised the flexible salary option, reflecting BFL's commitment to their financial well-being.
- **Work-Life Integration:** Initiatives such as "Gift a Leave" promote a culture of mutual support and enable employees to balance personal and professional responsibilities effectively.

Over 500 employees have sought emotional support through the counselling initiatives. Periodic webinars and articles along with floor sessions are conducted to enable employees to meet their emotional needs. An emotional well-being assessment survey was conducted at the organisation level to observe emotional risk of employees which resulted in a participation of 6,464 employees. The outcomes led to curated programmes and help for employees where required.

Culture Anchors

Since the Company's growth began in 2007, its people have exhibited certain behaviours that have been instrumental in its success. These behaviours, known as its Culture Anchors, have played a crucial role in shaping the Company's unique culture. This culture has provided BFL with a distinctive competitive advantage and is integral to the Company's identity and success.

Over the years the Company has identified 14 Culture Anchors which form 'The BFL Way'. They are the principles that guide on 'how we conduct ourselves', 'how we work with others' and 'the way we make decisions'. These principles apply to every single employee, at every level.

The Company is taking a bi-directional approach to take Culture to the last mile, executed through 4 strong pillars – Communicate, Role Model, Recognise and Build. BFL is driving this top down with its leaders and ensuring everyone on the ground can champion culture. Tenured employees with track record of displaying the right behaviour are chosen as Culture role holders (marshals, ambassadors, guru) across hierarchy. These role holders act as mentors to their teams and guide them in bringing these Culture Anchors to life, thus exemplifying living 'the BFL way'.

In addition, the senior leaders of the Company are guided by BFS Leadership Mindsets and Behaviours. These fuel the Company's purpose and form the DNA of the organisation and are deeply connected to the BFL Culture Anchors. For leaders at BFL, the leadership expectations are defined as Leadership Traits that encompass the essence of both the Culture Anchors and the BFS Leadership Mindset and Behaviours.

Learning and Development

At BFL, learning is holistic and continuous, tailored to meet the needs of various employee segments such as New Joiners, First Time Managers, Leaders moving to Senior Management Roles, Senior Leaders, and Women Leaders.

New employees undergo a 15-day onboarding process, including a functional induction led by certified trainers, focusing on the Company's culture, policies, practices and technology platforms essential for their roles.

For existing employees, BFL offers targeted programmes addressing re-skilling needs and new initiatives. The Company has invested in 10 Regional Training Centres (RTCs) with guest house facilities for 400 participants. In FY2025, over 34,000 employees benefited from these programmes. BFL has over 2,150 certified trainers who delivered more than 2,200 training programmes.

BFL partners with platforms like Coursera, Go1, Percipio and Harvard University to offer diverse courses. The Distance Learning Program supports employees to enrol in company sponsored MBA courses. Average training hours increased to over 26 lakh in FY2025 from over 6 lakh in FY2024, enhancing talent retention and productivity.

Diversity and Inclusion

BFL's Spectrum Program promotes Diversity, Equity and Inclusion with policies supporting a diverse workforce. Benefits include 1-to-1 counselling, extended paternity leave, day-care facilities, enhanced safety measures, additional health check-ups for female employees, extended work-from-home options, and travel allowances for expecting females and new mothers. Further, as on 31 March 2025, BFL has employed 24 people with disabilities and special needs.

BFL takes pride in fostering a culture where women are empowered to rise and lead with confidence. At the heart of this is its flagship initiative, the Navigator – Women Leadership Development Program, designed specifically for high-performing women in certain bands. This six-month programme focuses on enhancing leadership acumen, strategic thinking and emotional intelligence, equipping participants with the skills needed to excel in a dynamic corporate environment.

- The programme's growing success is reflected in the increasing participation, from 66 women in FY2024 to 82 in FY2025. Participants have reported significant growth in confidence, networking capabilities, public speaking skills, and the ability to effectively balance work-life priorities. Building on Navigator's impact, the Navigator Train-The-Trainer (TTT) Certification Program senior women leaders use this program to help and mentor younger women by sharing their experiences.
- In parallel, the Navigator Mentorship Program connects senior leaders with Navigator participants, creating a robust support network that fosters personal growth and accelerates career advancement. In FY2025 alone, 55 mentors guided over 100 mentees, underscoring the programme's effectiveness.
- Further enriching its inclusive culture is Karwaan – Leadership Panel Discussions, where sessions with industry experts and leaders address critical topics such as gender bias and thriving under pressure.

Employee Celebrations

In FY2025, BFL celebrated regional festivals at Over 2,100 locations, with more than 11,000 employee families participating—reflecting its commitment to cultural inclusivity and community-building. The launch of BFL Social, an internal platform, further transformed employee engagement by connecting 43,000+ employees across geographies, fostering collaboration, recognition, and a stronger sense of belonging.

Rewards and Recognition

BFL's Recognition and Rewards programmes aim to cultivate a culture of excellence by celebrating exceptional achievements across the organisation. Over 10,000 employees were recognised and rewarded in FY2025 for exemplary performances and for taking initiatives.

Giving Back to Society

The Company's employees are socially conscious citizens and keen to support the community they live in. They have actively participated in a 'Joy of Giving' initiative called 'Daan Utsav' and donated over 130,750 items under four different categories: Nanhe Kadam (children focused donations), Anna Daan (food donations), women empowerment, and gifts for elderly. They also participated in blood donation camps organised by the Company. The employees have helped the environment by planting 200,000 trees across 60 locations in India.

Awards and Recognition

During the year, BFL received the following awards for its people practices:

- 'Best Large NBFC' for FY2024 by Business Today at the Business Today Best Banks Awards held in February 2025.
- 'Best Large NBFC' at the 17th Edition of MINT BFSI Summit and Awards held in January 2025.

As on 31 March 2025, BFL, along with its subsidiaries, has 108,742 employees out of which 64,092 are full-time employees and 44,650 are fixed term contract employees. In FY2025, the group added 10,310 full time employees.

Subject to shareholders' approval, the Board of Directors, in their meeting held on 20 March 2025, has approved the elevation of Mr. Rajeev Jain to Vice Chairman in the capacity of Executive Director for a period of three years, effective 1 April 2025. Mr. Jain's current tenure as Managing Director concludes on 31 March 2025. Furthermore, Mr. Anup Kumar Saha, presently serving as Deputy Managing Director with a term extending to 31 March 2028, has been promoted to Managing Director, effective 1 April 2025.

Internal control systems and their adequacy

BFL has robust internal control systems in place, driven through various procedures and policies which are reviewed and tested periodically across processes, units and functions. The Company's risk and credit teams have inbuilt processes to identify the existing and probable risks and to mitigate identified risks. Senior management also regularly monitors the mitigating measures. BFL has various committees including Risk Management Committee and the Asset and Liability Committee, with participation from various functions, which are designed to review and oversee critical aspects of BFL's operations.

The Company has instituted the “3 lines of defence” model, viz.

- First Line of Defence: Internal operations management and management controls.
- Second Line of Defence: Risk and Compliance function.
- Third Line of Defence: Internal audit function.

BFL has a dedicated team for testing the design and efficiency of Internal Control Over Financial Reporting (ICOFR) on a regular basis and timely remediation of control deficiencies identified, if any. Further, it monitors Information and Technology General Controls (ITGC) on a periodic basis. The Company has specialised units within IT and operations for carrying out regular checks to ensure that the processes set for these functions are complied with and gaps identified, if any, are set right on a regular basis. The control functions implement, review and monitor the standards and lay down policies and procedures by which the entity manages risks including compliance with regulatory guidelines and applicable laws, adherence to operational controls and relevant standards of conduct.

Compliance is a fundamental aspect of BFL’s business operations. The compliance philosophy is strict adherence to laws, regulations, and ethical standards to maintain the trust of the stakeholders i.e., regulators, customers, investors and employees. Keeping in mind this philosophy, BFL significantly augmented its headcount in the compliance function during FY2025.

BFL’s compliance philosophy revolves around the following principles:

- Regulatory Compliance: It is committed to comply with all applicable laws, regulations, and guidelines set by the regulatory authorities.
- Customer Protection: It prioritises the protection of its customers’ interests and data. Robust data protection measures are maintained, and privacy laws and regulations are strictly adhered to. BFL strives to provide fair and transparent financial products and services, ensuring that its customers make informed decisions.
- Ethical Conduct: BFL expects all its employees to uphold the highest ethical standards in their dealings with customers, partners and colleagues.
- Risk Management: BFL has implemented robust risk management frameworks and processes to identify, assess and mitigate risks associated with its operations.
- Employee Training and Awareness: Comprehensive training programmes have been rolled out to enhance the compliance knowledge and awareness of the Company’s employees.

BFL has a dedicated Chief Compliance Officer (CCO) and a robust compliance unit. Under the CCO’s supervision, the compliance function is responsible for identifying and assessing compliance risks, providing guidance on related matters, and monitoring and testing compliance across the organisation.

It has implemented controls through systems and processes ensuring a robust framework. In line with the RBI’s notification dated 3 February 2021, BFL and BHFL implemented Risk-Based Internal Audit (RBIA) with effect from 1 April 2021. The RBIA is linked to the overall risk management framework and provides an assurance to the Board of Directors and Senior Management on the quality and effectiveness of the organisation’s internal controls, risk management and governance related systems and processes.

The Internal Audit (IA) function reviews the business and functional units’ adherence to internal policies and regulatory requirements, thus providing timely feedback to management for taking necessary corrective and preventive steps.

In recent years, the IA team has created dedicated teams consisting of domain experts with respect to information security audit. Additionally, a concurrent review team has been established to monitor and assess critical parameters on an ongoing basis.

BFL’s Risk Management, Operational Risk Management, Information Technology and Cyber Security practices have been already elaborated in the earlier sections of this chapter.

The Audit Committee of the Board reviews the performance of the audit and compliance functions and the effectiveness of controls and compliance with regulatory guidelines. In the opinion of the Board and Senior Management, internal control systems are well placed and work in a satisfactory manner.

Fulfilment of the RBI's norms and standards

BFL fulfils and often exceeds the applicable norms and standards laid down by the RBI relating to the recognition and provisioning of Stage III (qualifying non-performing) assets, capital adequacy, statutory liquidity ratio, liquidity coverage ratio etc. Table 8 below demonstrates BFL's and BHFL's prudent practices detailing its performance ratios compared to the minimum requirements of the RBI.

Table 8: BFL and BHFL's regulatory ratios compared to the minimum requirements of the RBI

Particulars	Bajaj Finance Limited		Bajaj Housing Finance Limited	
	As of 31 March 2025	RBI stipulation	As of 31 March 2025	RBI stipulation
Capital to Risk-weighted Assets Ratio (CRAR)	21.93%	15%	28.24%	15%
Of which Tier-I Ratio	21.09%	10%	27.72%	10%
Statutory Liquidity Ratio	15.78%	15%	NA	NA
Liquidity Coverage Ratio	124.93%	100%	192.81%	100%
Asset liability mismatch (cumulative)				
1-7 days	51%	(10%)	29%	(10%)
8-14 days	56%	(10%)	37%	(10%)
15-30 days	56%	(20%)	15%	(20%)

In FY2025, the RBI issued following important circulars: -

- **Key Facts Statement (KFS) for Loans and Advances:** These directions issued on 15 April 2024 harmonise the existing instructions on KFS relating to microfinance loans and digital lending which were applicable to all regulated entities and display of information by banks. These mandate KFS issuance to all retail and MSME loans sanctioned on or after 1 October 2024. *BFL is compliant with the requirements of the circular.*
- **Fair Practices Code for Lenders – Charging of Interest:** These directions issued on 29 April 2024 directed all Regulated Entities (REs) to review their practices regarding mode of disbursement of loans, application of interest and other charges and take corrective action, including system level changes, as may be necessary, to address the issues. *The practices followed by BFL are compliant with the requirements of the circular.*
- **Guidance Note on Operational Risk Management and Operational Resilience:** This note issued on 30 April 2024 provides an overarching guidance to Regulated Entities for improving and further strengthening their Operational Risk Management Framework (ORMF) and enhance their Operational Resilience given the interconnections and interdependencies, within the financial system, that result from the complex and dynamic environment in which the REs operate. *BFL has in place a Board-approved Operational Risk Management Policy which outlines the governance structure and processes for managing operational risk.*
- **Master Direction on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies):** These directions issued on 15 July 2024 provide a framework to NBFCs for prevention, early detection and timely reporting of incidents of fraud to Law Enforcement Agencies and the RBI. *BFL has in place a Board-approved "Master Policy Document for Dealing with Frauds".*
- **Master Direction on Treatment of Wilful Defaulters and Large Defaulters:** These directions issued on 30 July 2024 serve as a comprehensive guideline delineating the regulatory framework and procedures for classification of borrowers as wilful defaulters. *BFL has in place a Board-approved "Policy for Treatment of Wilful Defaulters and Large Defaulters".*
- **Review of regulatory framework for HFCs and harmonisation of regulations applicable to HFCs and NBFCs:** These directions issued on 12 August 2024 harmonise the regulations applicable to HFCs and NBFCs. *The practices followed by BFL are compliant with the requirements of the circular.*
- **Amendment to the Master Direction – Know Your Customer (KYC) Directions, 2016:** These directions issued on 6 November 2024 align the instructions with the amendments carried out in the Prevention of Money Laundering (Maintenance of Records) Rules, 2005, 'Procedure for implementation of Section 51A of the Unlawful Activities (Prevention) Act, 1967', and revises certain existing instructions. *BFL has updated its "Know Your Customer (KYC) Policy" in line with the requirements of the circular.*

- *Master Direction – Reserve Bank of India (Credit Information Reporting) Directions, 2025:* These directions issued on 6 January 2025 consolidate previously issued circulars/instructions to REs on reporting of credit information to Credit Information Companies (CICs). *BFL has in place a Board- approved “Credit Information to Credit Information Companies (CIC) Policy” to comply with the same.*

On 15 November 2023, the RBI directed BFL to stop sanction and disbursal of ‘eCom’ and ‘Insta EMI Card’ with immediate effect due to non-issuance of Key Fact Statements (KFS) to the borrowers under these two lending products and some deficiencies in the KFS issued in respect of other digital loans sanctioned by BFL. On 2 May 2024, considering the remedial actions taken by BFL, the RBI lifted the restrictions on sanction and disbursal of loans under ‘eCOM’ and ‘Insta EMI Card’ with immediate effect.

Strengths, Risks and Opportunities

Analysis of BFL’s strengths, risks and opportunities are given below:

Strengths

- **Diversified product suite:** BFL is the largest and most diversified NBFC in India, enabling an optimal balance between risk and profitability to deliver a sustainable business.
- **Geographic expansion:** Extensive geographical presence in 4,263 locations across the country accelerate customer acquisition, with BFL serving 101.82 million customers across India.
- **Technological adaptability:** Early adoption of emerging technologies enhances the cross-selling of loan products and services by improving customer experience and engagement.
- **Credit ratings:** BFL enjoys AAA/stable ratings from CRISIL, ICRA, CARE, and India Ratings for its long-term debt programme, and A1+ ratings from CRISIL, ICRA, and India Ratings for its short-term debt program. Its deposit program is also rated the highest with CRISIL AAA/Stable and ICRA AAA/Stable. Additionally, BFL has a ‘BBB-’ positive issuer rating from S&P Global, which has also assigned a standalone rating of ‘BBB’ to BFL.
- **Brand and financial performance:** Strong brand pedigree and consistent financial track record help diversify borrowings across banks, corporates, and retail customers at lower costs.
- **Debt management:** Robust debt management strategy ensures strong portfolio health.
- **Top management:** Experienced senior management team.

Risks

- **Borrowing costs:** These are influenced by the economic cycle and liquidity position in the market, which in turn can impact net interest margins.
- **Credit costs:** These are affected by the country’s GDP growth rate, political uncertainties, and political actions.
- **Regulatory changes:** Such changes can temporarily affect the business during the transition period.

Opportunities

- **Increase loan cross-sell:** There is an opportunity to enhance loan cross-selling by offering all products at all locations.
- **MSME segment:** Expand the MSME segment by providing financing solutions to MSMEs that face challenges accessing credit from traditional banks.
- **Scale up newly launched businesses:** Focus on growing new line of businesses such as Gold Loans, MFI, Vehicle Financing, Tractor Financing and Auto Leasing.
- **Implement more GenAI use cases:** Identify and implement additional Generative AI use cases to improve business efficiency and customer experience.

Bajaj Housing Finance Limited (BHFL)

Bajaj Housing Finance Limited (BHFL), a subsidiary of Bajaj Finance Limited, is registered as a non-deposit taking housing finance company with the National Housing Bank (NHB) since September 2015 to carry on the business of housing finance and categorised as Upper Layer NBFC (NBFC-UL) under Scale Based Regulations (SBR) issued by the RBI.

BHFL started its lending operations from July 2017 and crossed the significant AUM milestone of ₹ 100,000 crore during the year to reach AUM of ₹ 114,684 crore as on 31 March 2025. Pursuant to the requirement under SBR, the Company got listed on the equity segment of the National Stock Exchange and BSE (formally known as Bombay Stock Exchange) with its IPO in September 2024 of ₹ 6,560 crore of which primary issue was ₹ 3,560 crore and an offer for sale by BFL amounting to ₹ 3,000 crore, resulting in dilution of BFL's shareholding from 100% to 88.75%.

BHFL offers a full mortgage product suite spanning across i) Home Loans, ii) Loans Against Property, iii) Lease Rental Discounting, iv) Developer Financing and, v) Partnership and Services

BHFL caters to various mortgage needs of salaried, self-employed, and professional customers, offering purchase, resale, self-construction, and balance transfer transactions for prime, near prime, and affordable segments. Its commercial products include construction finance and lease rental discounting for real estate developers, HNIs, REITs, sovereign wealth funds, and corporates.

BHFL holds the highest credit rating of AAA/stable from both CRISIL and India Ratings for its long-term debt program; and A1+ from CRISIL and India Ratings for its short-term debt program.

₹ 6,560 crore

One of the most successful IPO and equity listing on NSE and BSE

BHFL Performance Highlights, FY2025

- Assets under management (AUM) increased by 26% to ₹ 114,684 crore
- Net interest income (NII) increased by 20% to ₹ 3,007 crore
- Net total income (NTI) grew by 23% to ₹ 3,597 crore
- Impairment on financial instruments rose by 31% to ₹ 80 crore
- Profit before tax (PBT) increased by 28% to ₹ 2,770 crore
- Profit after tax (PAT) grew by 25% to ₹ 2,163 crore
- Capital adequacy ratio as on 31 March 2025 was 28.24% (including Tier-II capital).

Table 9: BHFL's Assets Under Management

Particulars	(₹ in crore)		
	FY2025	FY2024	Change
Housing loans (including top ups)	64,447	52,819	22%
Loan against property	12,262	9,568	28%
Lease rental discounting	21,913	17,637	24%
Developer finance	14,346	9,599	49%
Other loans	1,716	1,747	(2%)
Total	114,684	91,370	26%

Table 10: BHFL's Standalone financials

Particulars	(₹ in crore)		
	FY2025	FY2024	Change
Total income	9,576	7,617	26%
Interest and finance charges	5,979	4,692	27%
Net total income	3,597	2,925	23%
Total operating expenses	747	703	6%
Pre-impairment operating profit	2,850	2,222	28%
Impairment on financial instruments	80	61	31%
Profit before tax (PBT)	2,770	2,161	28%
Profit after tax (PAT)	2,163	1,731	25%
Other comprehensive income/(expenses)	11	(1)	
Total comprehensive income	2,174	1,730	26%
Earnings per share (EPS) basic and diluted, in ₹	2.67	2.58	3%

Bajaj Financial Securities Limited or Bajaj Broking

Bajaj Financial Securities Limited ('BFSL', 'BFinsec', 'Bajaj Broking') functions as a wholly-owned subsidiary of BFL. It is registered with the SEBI, both as a stockbroker and as a depository participant.

In FY2025, Bajaj Broking significantly broadened its reach to 46 locations and 48 branches, providing a comprehensive suite of services to over 9.7 lakh clients in retail and HNI, encompassing DP services, Broking, Margin Trading Facility, and Financing for Offers For Sale.

Bajaj Broking: Performance Highlights, FY2025

- Customer franchise grew by 40% to over 979,000.
- Margin Trade Financing (MTF) book increased by 18% to ₹ 4,505 crore.
- Net interest income (NII) increased by 122% to ₹ 249 crore.
- Net total income (NTI) increased by 58% to ₹ 441 crore.
- Profit before tax (PBT) increased by 158% to ₹ 183 crore.
- Profit after tax (PAT) increased by 148% to ₹ 139 crore.

₹ 139 crore

BFSL's PAT, up 148% YoY

HNI Demat and Broking

Bajaj Broking delivers Depository Participant (DP) and broking services designed to meet the needs of High Net Worth Individuals (HNIs). The commitment is to provide a seamless trading experience. This is reflected in a dedicated call-in-trade service, where experienced dealers ensure swift and efficient trade execution, offering clients the flexibility they require.

Recognising the diverse investment strategies of its HNI clientele, Bajaj Broking offers customised brokerage plans, enabling solutions that align with individual trading preferences. For those engaging in high-volume trading, it provides access to a trading terminal, enhancing efficiency and control over market transactions.

As of 31 March 2025, Bajaj Broking served a growing base of over 66,000 HNI clients, supported by 48 operational branches. With a strategic focus on expansion, it has strengthened its presence in Tier 2 and Tier 3 cities.

Retail Demat and Broking

Bajaj Broking provides a comprehensive digital broking solution designed to meet the diverse needs of retail clients. With a variety of discount broking plans, clients have the flexibility to select an option that aligns with their trading preferences, whether they are active traders or long-term investors. These plans deliver economic value without compromising on service quality, ensuring clients can access a range of investment products including Stocks, F&O, Margin Trade Finance (MTF), IPOs, US Stocks, Bonds, and free research tools.

The platform offers seamless access through a web portal and a mobile app. Additionally, Bajaj Broking enhances the user experience with value-added features such as call-n-trade functionality, which allows clients to execute trades with the assistance of customer support. The platform is equipped with advanced tools to facilitate an efficient and smooth trading experience, ensuring accessibility and ease of use.

In FY2025, Bajaj Broking successfully onboarded 2.6 lakh new users, increasing its total client base to 9.2 lakh. The mobile app has been downloaded over 2.7 million times with an app rating of 4.2 out of 5.

Proprietary Trading

Bajaj Broking has a Proprietary Trading (prop trading) division with the aim to generate superior risk adjusted returns compared to market returns. In FY2025, it has generated a return of 15% compared to Nifty 50 return of 3% along with better risk metrics compared to Nifty and half the average volatility. It has an allocated fund of ₹ 250 crore towards prop trading and is planning to scale up the book size. It is also building capabilities in quantitative and statistical arbitrage as this is highly scalable in the future. This will be done with the help of Machine Learning and Quantitative Analysis. BFSL will create quantitative trading models along with risk frameworks to automate execution efficiency.

Margin Trading Facility (MTF)

Bajaj Broking provides MTF to HNIs and retail clients, enabling them to purchase security up to 4X of margin. This facility can be availed on more than 1,000 approved securities. Margin Trading Facility AUM grew by 18% to ₹ 4,505 crore as of 31 March 2025 versus ₹ 3,817 crore as of 31 March 2024.

Bajaj Broking has enhanced its online presence by upgrading both its website and mobile trading app, incorporating significant features and capabilities relating to (i) product feature enhancements, (ii) tool enhancements, and (iii) service enhancement.

Table 12 gives BFSL's financial performance.

Table 12: BFSL's Financial Performance

Particulars	(₹ in crore)		
	FY2025	FY2024	Change
AUM	4,505	3,817	18%
Total Revenue	800	486	65%
Profit Before Tax	183	71	158%
Profit After Tax	139	56	148%

Update on performance of associates

Snapwork Technologies Private Limited

Snapwork specialises in delivering innovative digital solutions with focus on digital transformation, cloud services, design led platform engineering, agile development, UI/UX design, and mobile app development. It has expertise in developing and delivering highly scalable mobile applications. Its solutions combine user-centered research, user interface design, process engineering and interface/mobile development with client's business objectives. It also conducts research and development activities. Snapwork has significant experience working with banking, financial services and insurance clients in providing development and technical manpower services.

Incorporated in 2008, Snapwork has some of the leading financial services companies in India as its clients. It has an excellent record of digital project execution for large organisations and banks/financial institutions; and has won impressive awards for its mobile apps from Google, IBM, Intel, Sequoia and Your Story.

Snapwork works closely with BFL to solve key technical priorities on scalability, experience and performance. It has developed the Bajaj Finserv App. BFL holds 41.5% stake in Snapwork on a fully diluted basis.

Financial performance highlights of Snapwork are given below:

Particulars	(₹ in crore)		
	FY2025	FY2024	Growth
Total revenue	82.70	68.87	20%
Total expenses	65.13	48.94	33%
PAT	13.53	15.00	(10%)
Net worth	126.87	113.92	11%

Pennant Technologies Private Limited

Pennant Technologies is a fast-growing, innovative financial technology company that empowers global banks and financial institutions to transition into 'digital-first' enterprises. Pennant provides end-to-end lending solutions with products like Loan Origination System, Loan Management System, Collections, CRM, and key digital enablers. At the core of Pennant's offerings is the PennApps Lending Factory (PLF)—a comprehensive, highly configurable and scalable lending platform that streamlines the entire loan lifecycle.

Incorporated in 2005, Pennant has a proven track record with over 250 successful projects in the banking and financial services sector. Pennant has over 40 clients including top tier banks, NBFCs and housing finance companies. It has been acknowledged globally, with accolades such as Forrester's Global Banking Platform recognition, IDC Market Glance listing and the Asia Fintech Awards' 'Lendtech of the Year'.

Pennant has become a key Loan Management System provider to BFL with majority of the product portfolio on Pennant LMS. In FY2025, BFL successfully transitioned its B2B portfolio from an older platform to Pennant LMS. BFL holds 26.53% stake in Pennant on a fully diluted basis.

Financial performance highlights of Pennant are given below:

Particulars	(₹ in crore)		
	FY2025	FY2024	Growth
Total revenue	153.00	102.52	49%
Total expenses	92.32	75.67	22%
PAT	45.94	20.03	129%
Net worth	287.85	242.70	19%

Concluding Comments

After prevailing over the COVID-19 years (FY2021 and FY2022), BFL has come back to its usual status of posting excellent operational and financial results in FY2025. Although there are some storm clouds on the horizon, there are reasons to believe that BFL is well placed to continue posting good results in FY2026, with the Company's omnichannel strategy becoming even more apparent across all relevant points of customer interface. BFL, therefore, expects to generate greater customer acquisition, higher customer loyalty, more profitable cross-selling and better margins for each of its businesses. Simply put, FY2026 should be at least as good as FY2025.

Table 13: Consolidated key financial indicators: last 18 years

Financials snapshot	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	CAGR
AUM	2,478	2,539	4,032	7,573	13,107	17,517	24,061	32,410	44,229	60,196	82,422	115,888	147,153	152,947	197,452	247,379	330,615	416,661	35%
Total income	503	599	916	1,406	2,172	3,110	4,073	5,418	7,333	9,989	12,757	18,500	26,386	26,683	31,648	41,418	54,983	69,725	34%
Interest expenses	170	164	201	371	746	1,206	1,573	2,248	2,927	3,803	4,614	6,623	9,473	9,414	9,754	12,560	18,725	24,771	34%
Net total income	332	435	715	1,035	1,426	1,904	2,500	3,170	4,406	6,186	8,143	11,877	16,913	17,269	21,894	28,858	36,258	44,954	33%
Operating expenses	193	220	320	460	670	850	1,151	1,428	1,898	2,564	3,270	4,197	5,662	5,308	7,587	10,142	12,325	14,926	29%
Loan losses & provision	109	164	261	205	154	182	258	385	543	804	1,030	1,501	3,929	5,969	4,803	3,190	4,631	7,966	29%
Profit before tax	30	51	134	370	602	872	1,091	1,357	1,965	2,818	3,843	6,179	7,322	5,992	9,504	15,528	19,310	22,080	47%
Profit after tax	21	34	89	247	406	591	719	898	1,279	1,837	2,496	3,995	5,264	4,420	7,028	11,508	14,451	16,779	48%

Ratios	FY08	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25
Opex to Net total income	58.1%	50.6%	44.8%	44.4%	47.0%	44.6%	46.0%	45.0%	43.1%	41.4%	40.2%	35.3%	33.5%	30.7%	34.7%	35.1%	34.0%	33.2%
Loan loss to avg. AUF/ loans	3.6%	4.9%	7.1%	3.6%	1.6%	1.3%	1.3%	1.4%	1.5%	1.6%	1.5%	1.6%	3.1%	4.1%	2.8%	1.5%	1.6%	2.2%
Return on assets	0.7%	1.4%	2.8%	4.4%	4.2%	4.1%	3.6%	3.3%	3.5%	3.7%	3.7%	4.2%	4.1%	3.1%	4.2%	5.3%	5.1%	4.6%
Return on equity	2.0%	3.2%	8.0%	19.7%	24.0%	21.9%	19.5%	20.4%	20.9%	21.6%	20.1%	22.5%	20.2%	12.8%	17.4%	23.5%	22.1%	19.1%
Net NPA	7.00%	5.50%	2.20%	0.80%	0.12%	0.19%	0.28%	0.45%	0.28%	0.44%	0.43%	0.63%	0.65%	0.75%	0.68%	0.34%	0.37%	0.44%
Provision coverage ratio	30%	32%	55%	79%	89%	83%	76%	71%	77%	74%	70%	60%	60%	58%	58%	64%	57%	54%
CRAR (standalone)	40.7%	38.4%	25.9%	20.0%	17.5%	21.9%	19.1%	18.0%	19.5%	20.3%	24.7%	20.7%	25.0%	28.3%	27.2%	25.0%	22.5%	21.9%
Leverage ratio	2.6	2.5	3.8	5.9	6.4	5.3	6.2	6.8	6.3	6.6	5.4	6.3	5.1	4.7	4.9	5.1	4.9	4.7

Note 1: As per the RBI regulations, NNPA percentages upto FY2015 are at 6 months overdue, FY2016 is at 5 months overdue, FY2017 are at 4 months overdue and FY2018 are at 3 months overdue. Hence NPA across periods are not comparable.

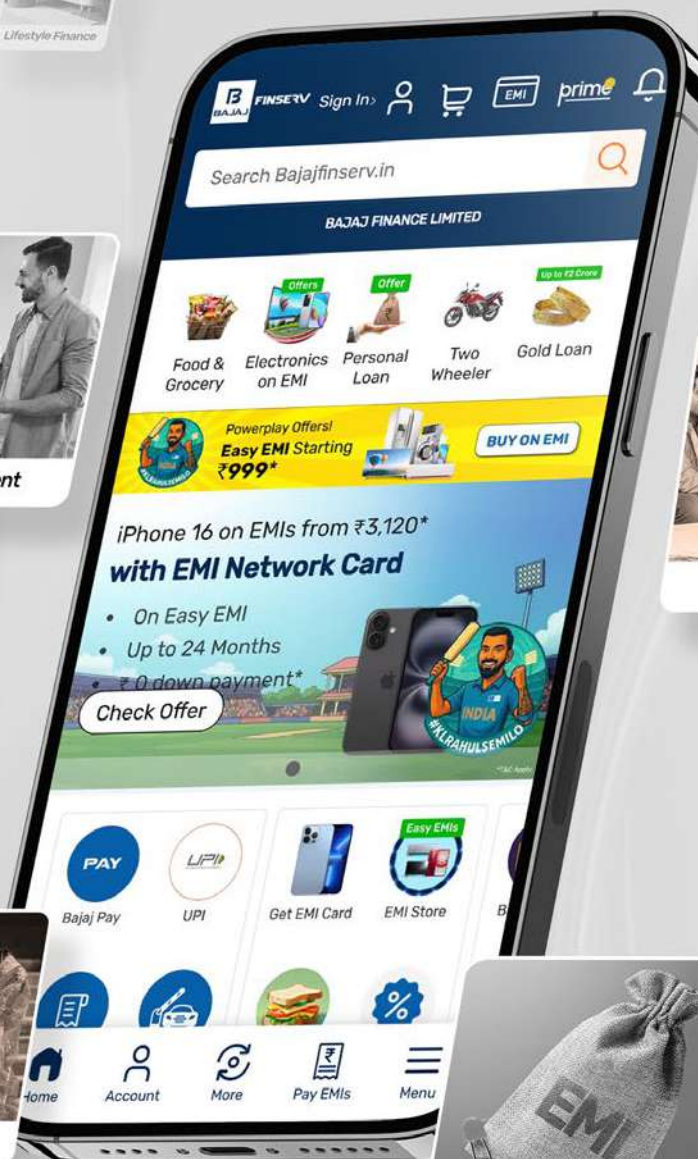
Note 2: All figures till FY2017 are as per previous GAAP on standalone basis.

Note 3: All figures from FY2018 onwards are as per Ind AS and on consolidated basis.

Cautionary Statement

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

**With the changing world and
your financial needs, we've kept pace.**



REPORT ON CORPORATE GOVERNANCE

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and considering all stakeholders' interest while conducting business.

This report details the corporate governance policies and practices of Bajaj Finance Ltd. (the 'Company', 'Bajaj Finance' or 'BFL') for FY2025 and outlines compliance with requirements of the Companies Act, 2013, as amended, (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'), and the Regulations of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Regulations') as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

Philosophy

For us, corporate governance is a reflection of principles rooted in our values and policies and also embedded in our day-to-day business practices. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure, and accountability are the main thrusts of the working of the Bajaj group. The Company maintains the same tradition and commitment.

Key elements of Bajaj Finance's Corporate Governance

- Compliance with applicable law.
- Proactive adherence to the regulations.
- Benchmarking and adopting best practices among banks, peers and other leading organisations.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans, and risks.
- Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- Independent Assurance on arm's length of Related Party Transaction(s).
- Audit Committee comprising only of independent Board members with Independent Directors chairing all Statutory Committees of the Board.
- Pre-briefing sessions with the Committee's Chair with statutory auditors, internal auditor, chief risk officer, chief human resources officer, and members of executive management who are the process owners.
- Independent discussions by the Committee with chief internal auditor, chief risk officer, and chief compliance officer without presence of Managing Director and other members of senior management on a quarterly basis.
- Separate meeting of independent directors without presence of non-independent directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every director, Committees of the Board, the Chairman of the Board, and the Board as a whole.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Representation of the Company via non-executive and independent directors on the Board of its material subsidiary which ensures an institutionalised structure of control over subsidiary.
- Half-yearly communication from the Chairman to all shareholders/debentures holders of the Company giving an update on the Company's performance.
- Presentations on Regulatory updates to the Risk Management Committee on a quarterly basis to keep them abreast of the evolving laws.
- Terms of reference of various committees in line with best practices and governance guidelines.

- Adoption of key governance policies in line with the best practices, which are made available to stakeholders for downloading from the Company's website. These *inter alia* include:
 - Whistle-Blower Policy/Vigil Mechanism;
 - Policy of Materiality and dealing with related party transactions;
 - Dividend Distribution Policy;
 - Policy on Prevention of Sexual Harassment at Workplace;
 - Fair Practices Code in English and all vernacular languages;
 - Employee Charter on Human rights;
 - Equal Employment Opportunity and Non-Discrimination Policy;
 - Policy for Compensation of Key Managerial Personnel ('KMP') and Senior Management;
 - Data Privacy Policy;
 - Responsible and Sustainable Business Conduct Policy;
 - Code of ethics and personal conduct;
 - Tax governance policy;
- Various policies adopted by the Company can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes>

Board of Directors

The Board of Directors ('Board') and its Committees play significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency, and accountability in creating long-term stakeholder value.

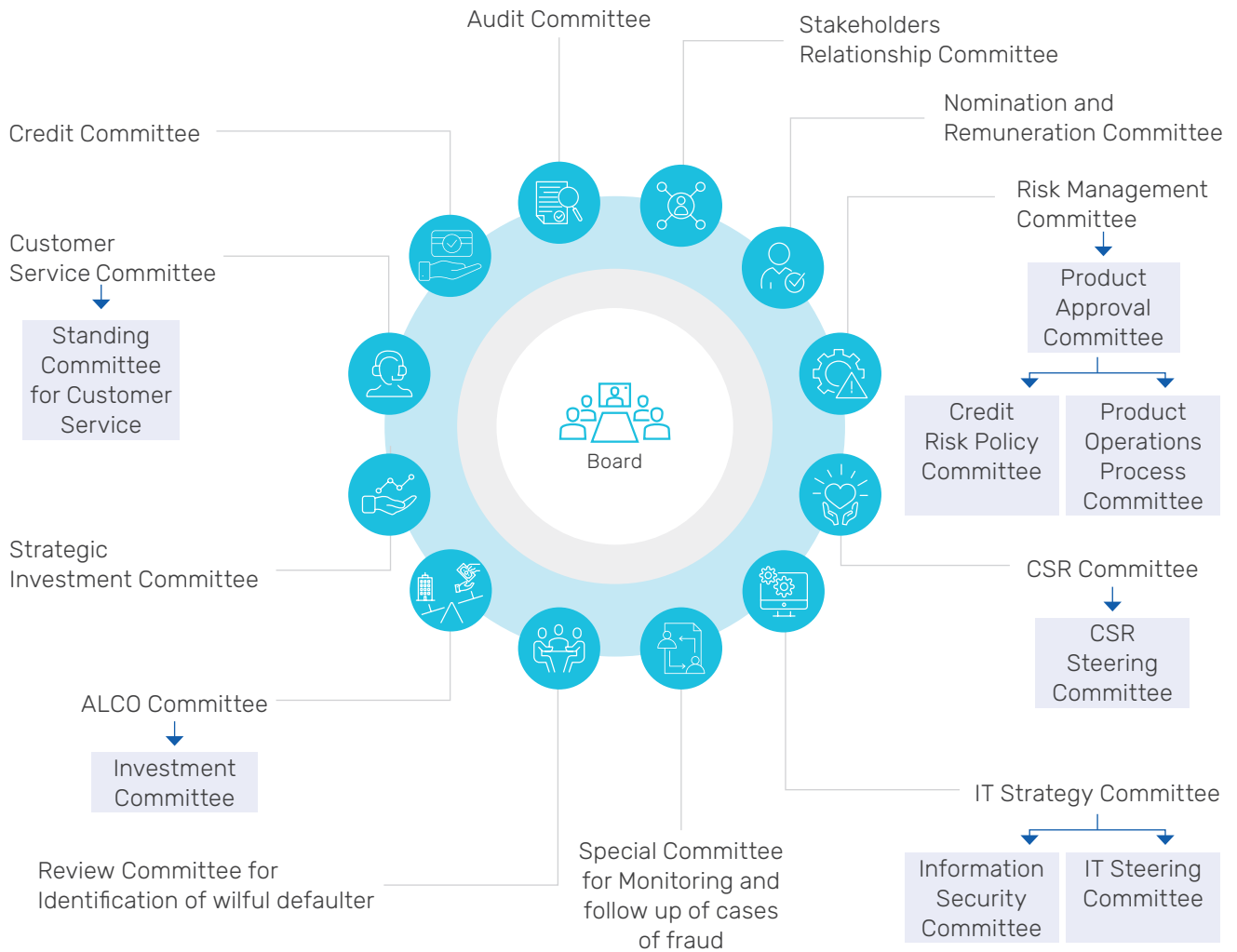
In line with the commitment to the principle of integrity and transparency in business operations for good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of Governance and Management.

The responsibilities of the Board, *inter alia*, include formulation of overall strategy for the Company, reviewing major plan of actions, setting performance objectives, laying down the Code of Conduct for all members of the Board and the Senior Management team, formulating policies, conducting performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the shareholders, the community, environment and its various stakeholders.

All the directors of the Board have confirmed that they are not debarred from holding the office of director by virtue of any order by SEBI or any other authority. The directors have confirmed that neither they nor any other company on which they serve as directors have been identified as a wilful defaulter/large defaulter. All the directors have confirmed that they satisfy the fit and proper criteria as prescribed under the applicable regulations.

The Board has constituted several Board sub-Committees. The remit of these Committees are governed by the regulations, operational requirements and such other matters requiring special and expert attention. Further, during the year an extensive review of terms of reference of various committees was carried out to align them with updated regulations, best practices and various governance guidelines.

Board and Committees



Composition of the Board

In compliance with the SEBI Listing Regulations, the Company has an optimum combination of executive and non-executive directors with a woman independent director. The Company has a non-executive Chairman. According to the provisions of the SEBI Listing Regulations, if the non-executive Chairman is related to promoter, at least one half of the Board of the Company should consist of Independent Directors.

As on 31 March 2025, the Board of the Company consisted of eleven directors, of whom two were executive, seven were non-executive independent (including one-woman independent director) and two were non-executive non-independent. The Board does not have any institutional nominee director.

The Company is in compliance with the SEBI Listing Regulations.

Changes in the composition of Board during FY2024 and FY2025

Details of changes in composition of the Board during the year under review and previous year i.e., for the period from 1 April 2023 to 31 March 2025 is given below:

Sr. No.	Name of director	Capacity	Nature of change	Effective date
1.	Anup Saha	Executive director	Appointment	1 April 2023
2.	Rakesh Bhatt	Executive director	Appointment	1 April 2023
3.	Dr. Arindam Bhattacharya	Independent director	Appointment	1 April 2023
4.	D J Balaji Rao	Independent director	Cessation*	28 November 2023
5.	Rakesh Bhatt	Executive director	Resignation	31 January 2024
6.	Anup Saha	Deputy Managing director	Re-designation	1 April 2024
7.	Tarun Bajaj	Independent director	Appointment	1 August 2024
8.	Ajay Kumar Choudhary	Independent director	Appointment	1 February 2025

*Ceased on account of demise.

The Board, based on the recommendation of Nomination and Remuneration Committee ('NRC'), appointed Rajeev Jain as Vice-Chairman for term of 3 years with effect from 1 April 2025 and re-designated Anup Saha as Managing Director of the Company for remaining term of 3 years i.e., from 1 April 2025 till 31 March 2028.

Number of meetings of the Board

The calendar for the Board and Committee meetings are fixed in advance for the entire year and informed to directors well in advance to ensure their participation at all the meeting(s) and with an objective to plan their travel accordingly. Besides the quarterly Board meetings, meetings are also scheduled in the month of March and September every year to facilitate the Board to devote additional time on annual operating plan and strategic matters. The Board and Committee meetings are scheduled such that two full days are collectively dedicated for deliberations.

During FY2025, the Board met eight times, viz., 5 April 2024, 25 April 2024, 7 June 2024, 23 July 2024, 13 September 2024, 22 October 2024, 29 January 2025 and 20 March 2025. The gap between two consecutive meetings has been less than 120 days.

Attendance record of directors for FY2025

	No. of Board meetings held during FY 2025								Attendance at the last AGM held in July 2024
Name of the directors	5 April 2024	25 April 2024	7 June 2024	23 July 2024	13 September 2024	22 October 2024	29 January 2025	20 March 2025	
CHAIRMAN, NON-EXECUTIVE DIRECTOR									
Sanjiv Bajaj									
INDEPENDENT DIRECTORS									
Dr. Naushad Forbes									
Anami N Roy									
Pramit Jhaveri									
Radhika Haribhakti									
Dr. Arindam Bhattacharya			✗						
Tarun Bajaj [#]	N.A.	N.A.	N.A.	N.A.					N.A.
Ajay Kumar Choudhary [§]	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.		N.A.
VICE CHAIRMAN									
Rajeev Jain [*]									
MANAGING DIRECTOR									
Anup Saha [@]									
NON-EXECUTIVE DIRECTOR									
Rajiv Bajaj			✗						

  Attended × Absent

Notes:

1. Sanjiv Bajaj and Rajiv Bajaj are related as brothers. None of the other directors are related *inter se*.
2. [#]Tarun Bajaj has been appointed as an Independent Director with effect from 1 August 2024.
3. [§]Ajay Kumar Choudhary has been appointed as an Independent Director from 1 February 2025.
4. ^{*}Rajeev Jain has been elevated as Vice-Chairman with effect from 1 April 2025.
5. [@]Anup Saha has been re-designated as Managing Director with effect from 1 April 2025.

The summary of composition of Board, number of meetings held during FY2025, attendance record, total compensation for the year, and shareholding in the Company is provided below:

				Remuneration (₹ in crore)			No. of shares held in the Company as on 31 March 2025
Sr. No.	Name of Director, DIN and category	Director since	% of meetings attended in last 3 years	Salary and others	Sitting Fee	Commission**	
CHAIRMAN, NON-EXECUTIVE DIRECTOR							
1.	Sanjiv Bajaj (DIN: 00014615) Promoter Group	18 January 2005	100	-	0.34	5.06	530,792
INDEPENDENT DIRECTORS							
2.	Dr. Naushad Forbes (DIN: 00630825)	1 April 2019	95	-	0.24	0.96	-
3.	Anami N Roy (DIN: 01361110)	1 April 2019	100	-	0.31	1.20	-
4.	Pramit Jhaveri (DIN: 00186137)	1 August 2021	100	-	0.32	1.28	-
5.	Radhika Haribhakti (DIN:02409519)	1 May 2022	100*	-	0.20	0.76	-
6.	Dr. Arindam Bhattacharya (DIN: 01570746)	1 April 2023	88*	-	0.14	0.56	724
7.	Tarun Bajaj (DIN: 02026219)	1 August 2024	100*	-	0.05	0.20	-
8.	Ajay Kumar Choudhary (DIN: 09498080)	1 February 2025	100*	-	0.01	0.04	-
VICE CHAIRMAN							
9.	Rajeev Jain® (DIN: 01550158)	1 April 2015	100	26.32	-	-	169,950
MANAGING DIRECTOR							
10.	Anup Saha§ (DIN: 07640220)	1 April 2023	100*	12.99	-	-	-
NON- EXECUTIVE DIRECTOR							
11.	Rajiv Bajaj (DIN: 00018262) Promoter Group	2 May 1994	91	-	0.07	0.28	1,000

Notes:

1. *% of meetings attended is calculated based on the number of Board meetings attended post the appointment.
2. **The Commission will be paid post adoption of financial statements.
3. ®Rajeev Jain has been elevated as Vice-Chairman with effect from 1 April 2025.
4. §Anup Saha has been re-designated as Managing Director with effect from 1 April 2025.

Rajeev Jain, Vice-Chairman and Anup Saha, Managing Director are entitled to Employee Stock Options as per Employee Stock Option Scheme, 2009. Apart from the above, no other Directors hold any convertible instruments.

Resignation of independent director during FY2025

No Independent Director resigned during the financial year 2025.

Board diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board through NRC has devised a policy on Board Diversity. The Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company. The directors are persons of eminence in areas of financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, administration, research, and investment banking, etc. and bring with them experience/skills which add value to the performance of the Board. The directors are selected purely on the basis of merit with no discrimination on race, colour, religion, gender or nationality.

Core skills/expertise/competencies

A brief profile of the directors is available on the website of the Company at <https://www.aboutbajajfinserv.com/finance-people-and-committees-board-of-directors>. As stipulated under Schedule V of the SEBI Listing Regulations, core skills/ expertise/ competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors. The chart/ matrix of such core skills/ expertise/ competencies, along with the names of directors who possess such skills is given below:

Sr No.	Core skills/ expertise/ competencies
1.	Management & Governance
2.	Financial Services
3.	Consumer behaviour, sales, marketing and customer experience
4.	Technology and Innovation
5.	Understanding of accounting and financial statements
6.	Risk, Assurance and Internal Controls
7.	Regulatory, Public policy and economics
8.	Human Resource
9.	Business Transformation & Strategy

Name of directors	Skills/ Expertise/ Competencies								
	Management & Governance	Financial Services	Consumer behaviour, sales, marketing and customer experience	Technology and Innovation	Understanding of accounting and financial statements	Risk, Assurance and Internal Controls	Regulatory, Public policy and economics	Human Resource	Business Transformation & Strategy
Sanjiv Bajaj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Naushad Forbes	✓	-	✓	✓	✓	✓	✓	✓	✓
Anami N Roy	✓	✓	-	-	✓	✓	✓	✓	-
Pramit Jhaveri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Radhika Haribhakti	✓	✓	-	-	✓	✓	-	✓	✓
Dr. Arindam Bhattacharya	✓	-	-	✓	✓	-	✓	✓	✓
Tarun Bajaj	✓	✓	✓	-	✓	✓	✓	✓	✓
Ajay Kumar Choudhary	✓	✓	-	✓	✓	✓	✓	✓	✓
Rajeev Jain	✓	✓	✓	✓	✓	✓	✓	✓	✓
Anup Saha	✓	✓	✓	✓	✓	✓	✓	✓	✓
Rajiv Bajaj	✓	✓	✓	✓	✓	✓	-	✓	✓

Opinion of the Board

The Board confirms that, in its opinion, the independent directors fulfil the conditions specified under the SEBI Listing Regulations and the Act and are independent of the Management of the Company.

Non-executive directors' compensation

The Company believes that non-executive directors' ('NEDs') including independent directors compensation must reflect the time, effort, attendance and participation in Board and Committee meetings. The payment is proportionate to attendance and ensures directors' remuneration is commensurate with their time, effort, attendance, and participation.

The members of the Company vide special resolution passed at the Annual General Meeting ('AGM') of the Company held on 27 July 2022 have, approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Act, to be paid and distributed among the directors of the Company or some or any of them (other than the Managing Director/Whole-time Directors) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors from time to time during the five years commencing from 1 April 2022.

In view of increased demands on Non-executive Directors' participation in the Board and Committee meetings and the greater responsibilities shouldered by them in the interest of higher level of excellence in corporate governance, the commission has been increased from ₹ 400,000 to ₹ 500,000 per meeting of the Board and/or Committees (except for Corporate Social Responsibility Committee, Credit Committee and Review Committee for wilful defaulter's Identification) effective 1 May 2025.

The NRC and the Board, at its meetings held on 29 April 2025, approved payment of Commission of ₹ 3.70 crore to Sanjiv Bajaj for FY2025 for the additional time and commitment devoted by him for reviewing businesses, mentoring and supervising the senior leadership team of the Company, at the request of the management. Being a non-executive director, he will also be entitled to sitting fees as payable to other NEDs. The total compensation payable to Sanjiv Bajaj does not exceed 50% of the total remuneration payable to all NEDs. Hence, approval of shareholders is not required under regulation 17(6) of the SEBI Listing Regulations. Further, prior approval of the Audit Committee has also been obtained for the said payment of remuneration in terms of provisions of regulation 23 of the SEBI Listing Regulations.

The total commission payable to all directors, however, will be within the maximum permissible ceiling prescribed under Act.

The commission is paid to the directors after the adoption of audited financial statements by the shareholders at the AGM.

The directors are also entitled to a sitting fee at ₹ 100,000 per meeting for every meeting of the Board and/or Committee (except Corporate Social Responsibility Committee) attended by them.

The Company does not have a stock option programme for any of its directors other than the Vice-Chairman and the Managing Director.

Information placed before the Board

The Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board by key members of Senior Management on important matters from time to time. Directors have separate and independent access to the officers of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant items.

In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the Act and SEBI Listing Regulations. The independent directors of the Company met on 20 March 2025 and assessed especially from the perspective of whether these aided the Board and its Committees to effectively and reasonably perform their duties. The independent directors expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on various strategic, business, compliance and regulatory matters. During FY2025 it, *inter alia*, covered the following:

- Business plans, forecast and strategic initiatives;
- Changes in regulatory landscape and Company's preparedness;
- Succession planning and organisation structure;
- Supervisory concerns raised by regulators;
- Performance of subsidiaries and associate companies;
- Status of compliance with Act, SEBI regulations, RBI Regulations and shareholder related matters;
- Review of investments made by the Company;
- Review of various policies framed by Company from time to time;
- Risk management system;
- Compliance with corporate governance standards;
- Deliberations of committees;
- Functioning of customer grievance redressal mechanism; and
- Awareness on cyber security.

Directors and Officers liability insurance ('D&O policy')

The Company has in place a D&O policy which is renewed every year. It covers directors (including independent directors) of the Company and its subsidiaries. It also covers Company's nominee on the Board of investee companies. The Board is of the opinion that quantum and risk presently covered is adequate.

Orderly succession to Board and Senior Management

One of the key functions of the Board of Directors is selecting, compensating, monitoring, and when necessary, replacing key managerial personnel and overseeing succession planning.

Pursuant to regulation 17(4) of the SEBI Listing Regulations, the framework of succession planning for appointment of director/Senior Management is placed before the Board for its review from time to time.

Succession planning is a critical element of the human resources strategy at the Company. In selecting between a 'build versus buy' talent model, the Company places a larger emphasis on building talent. This strategy is enabled by hiring most of our employees near the entry level and grooming them using a 'grow from within' career management framework.

Directorships and memberships of Board Committees

Table 1: Number of directorship/committee positions of directors as on 31 March 2025 (including the Company)

Sr. No.	Name of director	No. of directorships	Directorships			Committee positions in listed and unlisted public companies	
			In equity listed companies	In unlisted public companies	In private limited companies	As member (Including as chairperson)	As chairperson
1.	Sanjiv Bajaj	18	6	4	8	5	-
2.	Dr. Naushad Forbes	13	5	1	7	6	1
3.	Anami N Roy	6	5	-	1	6	4
4.	Pramit Jhaveri	4	3	-	1	2	-
5.	Radhika Haribhakti	7	5	1	1	7	3
6.	Dr. Arindam Bhattacharya	5	4	-	1	5	-
7.	Tarun Bajaj	5	4	-	1	5	1
8.	Ajay Kumar Choudhary	7	2	4	1	5	2
9.	Rajeev Jain	2	2	-	-	2	-
10.	Anup Saha	1	1	-	-	-	-
11.	Rajiv Bajaj	11	5	2	4	-	-

Note:

For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included, whereas all other companies including private limited companies, foreign companies and companies under Section 8 of the Act have been excluded. Only the Audit Committee and the Stakeholders Relationship Committee are considered for the purpose of reckoning committee positions.

None of the directors hold office as a director, including as an alternate director, in more than 20 companies at the same time. None of them has directorships in more than 10 public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary companies of a public company are included, while directorships in dormant companies and Section 8 of the Act are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, no director serves as an independent director in more than seven equity listed companies or in more than three equity listed companies if he/ she is a whole-time director/ managing director in any listed company. The independent directors have also confirmed that they are not on the Board of more than three NBFCs [NBFC-Middle Layer ('NBFC-ML') or NBFC-Upper Layer ('NBFC-UL')] at the same time in line with RBI Scale Based Regulations.

Pursuant to RBI Scale Based Regulations, Key Managerial Personnel do not hold any office (including directorships) in any other NBFC-ML or NBFC-UL except for directorship in a subsidiary.

None of the directors were a member in more than 10 committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

Notwithstanding the number of directorships, as highlighted herein, the outstanding attendance record and participation of the directors in Board/Committee meetings indicates their commitment and ability to devote adequate time to their responsibilities as Board/Committee members.

Directorship in listed companies (including debt listed companies)

Table 2: Name of listed entities where directors of the Company held directorships as on 31 March 2025 (including the Company)

Sr. No.	Name of director	Name of listed entity	Category
1.	Sanjiv Bajaj	Bajaj Auto Ltd.	Non-executive, Non-independent
		Bajaj Finance Ltd.	Chairman, Non-executive, Non-independent
		Bajaj Finserv Ltd.	Chairman and Managing Director
		Bajaj Holdings & Investment Ltd.	Managing Director and CEO
		Bajaj Housing Finance Ltd.	Chairman, Non-executive, Non-independent
		Maharashtra Scooters Ltd.	Chairman, Non-executive, Non-independent
2.	Dr. Naushad Forbes	Bajaj Auto Ltd.	Non-executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	
3.	Anami N Roy	Zodiac Clothing Company Ltd.	Non-executive, Independent
		Bajaj Auto Ltd.	
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
4.	Pramit Jhaveri	Bajaj Housing Finance Ltd.	Non-executive, Independent
		Siemens Ltd.	
		Bajaj Finance Ltd.	
5.	Radhika Haribhakti	Bajaj Finserv Ltd.	Non-executive, Independent
		Larsen & Toubro Ltd.	
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
6.	Dr. Arindam Bhattacharya	EIH Associated Hotels Ltd.	Non-executive, Independent
		NOCIL Ltd.	
		Torrent Power Ltd.	
		Bajaj Finance Ltd.	
7.	Tarun Bajaj	Bajaj Holdings & Investment Ltd.	Non-executive, Independent
		Bajaj Housing Finance Ltd.	
		Info Edge (India) Ltd.	
		Bajaj Finance Ltd.	
8.	Ajay Kumar Choudhary	Hindustan Unilever Ltd.	Non-executive, Independent
		The Tata Power Company Ltd.	
		Tech Mahindra Ltd.	
9.	Rajeev Jain	Aurionpro Solutions Ltd.	Non-executive, Independent
		Bajaj Finance Ltd.	
10.	Anup Saha	Bajaj Finance Ltd.	Vice-Chairman*
		Bajaj Housing Finance Ltd.	Vice-Chairman, Non-executive, Non-independent
11.	Rajiv Bajaj	Bajaj Finance Ltd.	Managing Director**
		Bajaj Auto Ltd.	Managing Director and CEO
		Bajaj Electrical Ltd.	Non-executive, Non-independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	Vice-Chairman, Non-executive, Non-Independent

*Elevated as Vice-Chairman with effect from 1 April 2025.

**Re-designated as Managing Director with effect from 1 April 2025.

Certificate on qualification of Directors

The Company has received a certificate from Shyamprasad D. Limaye, practicing company secretary, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as a director of the Company by SEBI/Ministry of Corporate Affairs ('MCA') or such other statutory authority for FY2025. The certificate forms a part of this Annual Report.

Review of legal compliance reports

The Board periodically reviews compliance report with respect to the various laws applicable to the Company, as prepared and placed before it by the Management. The Company Secretary, Chief Compliance Officer and other senior management personnel heading functions provides detailed compliance report to the Board on a periodic basis.

Code of Conduct

The SEBI Listing Regulations requires listed companies to lay down a Code of Conduct for its directors and senior management, incorporating duties of Directors prescribed in the Act.

The Company has a Board approved Code of Conduct for Board members and Senior Management of the Company. The Code of Conduct is reviewed periodically. The Code has been placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v5pdf?scl=1&fmt=pdf>

All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2025. A declaration to this effect signed by the Managing Director forms a part of this Annual Report.

Maximum tenure of independent directors

In terms of the Act, independent directors shall hold office for a term of up to five consecutive years on the board of a company but shall be eligible for re-appointment upon passing of a special resolution by the Company and disclosure of such appointment in the board's report. The tenure of the independent directors is in accordance with the provisions of the Act.

Formal letter of appointment to independent directors

The Company has issued a formal letter of appointment/re-appointment to independent directors in the manner provided in the Act. As per regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of independent directors are placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/appointment-letter-independent-director-27-nov-2023pdf?scl=1&fmt=pdf>

Familiarisation programme

On an ongoing basis, the Company endeavours to keep the Board including independent directors abreast with matters relating to the industry in which the Company operates, its business model, Cyber Security, Risk Analytics and concepts, Long Range Strategy, Fraud Risk Management and root cause analysis, Operational Risk Management, Operational Resilience, and changes in Regulatory Environment and preparedness of the Company, etc.

The Board is also regularly apprised on the major developments in the Company between two meetings.

The independent directors of the Company are made aware of their roles and responsibilities at the time of their appointment through a formal letter of appointment, which also stipulates various terms and conditions of their engagement.

The familiarisation details for FY2025 can be accessed at the link: <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/familiarisation-programme-fy-2025-v1pdf?scl=1&fmt=pdf>

Whistle-Blower Policy/Vigil Mechanism

The Company has a Whistle-Blower Policy encompassing Vigil Mechanism pursuant to the requirements of the Section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations and meeting the requirements under applicable RBI regulations.

This mechanism enables directors, employees and value chain partners to report confidentially to the Management, without fear of victimisation, any unacceptable and/or unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct or ethics policy and instances of leak or suspected leak of unpublished price sensitive information which are detrimental to the organisation's interest. It provides safeguards against victimisation of directors/employees/value chain partners who avail of the mechanism. It also allows them to share their inputs or raise their concerns anonymously at the dedicated link provided for it.

The policy has been appropriately communicated to the employees within the organisation and has also been hosted on the Company's website which can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-with-times-stamppdf?scl=1&fmt=pdf>

Employees of the Company are required to undergo mandatory online learning module on Code of Conduct including Whistle-Blower Policy and affirm that they have understood and are aware of vital aspects of the policy.

During FY2025, no person was denied access to the Audit Committee. During FY2025, 535 complaints were received by Company out of which 19 are pending for resolution as on 31 March 2025.

Details of material subsidiaries

The Company has one material subsidiary viz., Bajaj Housing Finance Ltd. ('BHFL').

The details of the same are as under:

Sr. No.	Particulars	Information about BHFL
1.	Date of incorporation	13 June 2008
2.	Place of incorporation	Pune
3.	Registered office	Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi Pune - 411 035
4.	Name of the Joint Auditors	A. Mukund M Chitale & Co., Chartered Accountants B. Singhi & Co., Chartered Accountants
5.	Date of appointment of Auditors	22 July 2024
6.	Period of appointment of Auditors	3 years, from the conclusion of 16th AGM till conclusion of 19th AGM
7.	Other details	- BHFL ceased to be unlisted wholly-owned subsidiary of the Company, pursuant to listing of its equity shares on BSE Limited and National Stock Exchange of India Limited. - It is registered as Housing Finance Company with National Housing Bank (Registration No. 09.0127.15). - It is also classified in the Upper Layer pursuant to RBI Scale Based Regulations.

The Policy on 'material subsidiaries', as approved by the Board, is available on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsidary-v5pdf?scl=1&fmt=pdf>

In addition to above, the Company has a wholly-owned subsidiary viz., Bajaj Financial Securities Ltd. ('BFinsec') and two associate companies viz., Snapwork Technologies Private Ltd. and Pennant Technologies Private Ltd. Details of the subsidiaries and associates including their performance and businesses, are given in the [Directors' Report](#).

Loans and advances

The Company, being NBFC in the upper layer is governed by RBI Scale Based Regulations on loans and advances. The said guidelines, *inter alia*, covers grant of loan, advances, guarantee, awarding of contracts, etc. to directors and their relatives, any company in which any of the directors or their relatives are major shareholders/ director/ manager/ employee/ guarantor and any firm in which directors or their relatives are partners/ manager/ employer/ guarantor. Accordingly, details of aggregate amount of loans and advances sanctioned by the Company forms part of the Annual Financial Statement.

The Company and its subsidiaries have not provided any loans and advances in the nature of loans to firms/companies in which the directors are interested within the meaning of provisions of Section 184 of the Act.

Share Capital

As of 31 March 2025, the paid-up capital of the Company was ₹ 124.29 crore consisting of 621,428,652 equity shares of face value of ₹ 2 fully paid-up.

In FY2024, the Company made preferential allotment of 1,550,000 warrants convertible into equivalent number of equity shares to Bajaj Finserv Ltd., promoter and the holding company, at a conversion price of ₹ 7,670 per share, pursuant to the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 ('SEBI ICDR Regulations').

In accordance with the terms of issue and as per the provisions of SEBI ICDR Regulations, 25% of issue price amounting to ₹ 297.21 crore was received by the Company at the time of subscription as initial payment and balance ₹ 891.64 crore will be received at the time of conversion i.e., within a period of 18 months from the date of allotment of the warrants.

During the year under review, the Company allotted 1,550,000 equity shares of the face value of ₹ 2 each to Bajaj Finserv Ltd. on conversion of warrants and receipt of balance 75% of the issue price amounting to ₹ 891.64 crore.

Further details on change in share capital is given in the [Directors' Report](#).

Utilisation of funds raised through Preferential Allotment

On 2 November 2023, the Company allotted 1,550,000 warrants convertible into equivalent number of equity shares at a price of ₹ 7,670 per warrant aggregating to ₹ 1,188.85 crore on receipt of an amount of ₹ 297.21 crore being 25% of the issue price, on a preferential basis, to Bajaj Finserv Ltd., promoter and holding company in accordance with the SEBI ICDR Regulations and the Act.

On 26 March 2025, upon the request of Bajaj Finserv Ltd., the Company allotted 1,550,000 equity shares of the value of ₹ 2 each to the Bajaj Finserv Ltd. on conversion of warrants and receipt of balance 75% of the issue price amounting to ₹ 891.64 crore.

Pursuant to the provisions of regulation 32(7A) of the SEBI Listing Regulations, the Company has fully utilised the funds raised through Preferential Issue ('PI') for the objects stated in the offer document and notice seeking members' approval i.e., repaying loans, commercial papers, non-convertible debentures, interest thereon and general corporate purposes.

CARE Ratings Ltd., monitoring agency, has issued reports confirming utilisation of funds as per stated objects. The said report is available on the Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-stock-exchange-filings> Statement of fund utilisation pursuant to regulation 32 of the SEBI Listing Regulations has also been filed with the stock exchanges for PI.

Related party transactions ('RPT')

All related party transactions entered during FY2025 were in the ordinary course of business and at arm's length. The Company had engaged an independent law firm to review the transactions carried out with related parties during FY2025, to affirm that the transactions are at arm's length nature of such transactions. The said firm, based on its review has concluded that the aforementioned transactions are at arm's length. Prior approval of the Audit Committee was obtained for all related party transactions entered during FY2025. Details of such transactions were placed before the Audit Committee for its review on a quarterly basis.

During FY2025, the Company also entered into a Material Related party transaction with Bajaj Housing Finance Ltd., subsidiary of the Company and approval of the Members was sought by way of Postal Ballot pursuant to Regulation 23 of the SEBI Listing Regulations.

A statement containing disclosure of transactions with related parties as required under Indian Accounting Standard 24 (Ind AS 24) including transaction with promoter/promoter group holding 10% or more shareholding in the Company, if any is set out separately in this Annual Report. Disclosures relating to related party transactions are filed with the stock exchanges on a half-yearly basis.

During FY2025, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The policy is given below as required pursuant to RBI Scale Based Regulations. It is also hosted on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-rpt-v5pdf?scl=1&fmt=pdf>

Policy on materiality of related party transactions and dealing with related party transactions

Background

Pursuant to regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), the Board of Directors of Bajaj Finance Ltd. (the Company) at its meeting held on 14 October 2014 had approved a Policy on Materiality of and dealing with related party transactions. Pursuant to SEBI circular dated 9 May 2018, which notified certain amendments effective from 1 April 2019, the Policy was revised by the Board at its meeting held on 12 March 2019.

Policy:

In supersession of the existing Policy, the Policy on Materiality of and dealing with Related Party Transactions, which is to be read together with Regulation 23 of the said Regulations and relevant provisions of the Companies Act, 2013 is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arms' length transaction', 'Omnibus Approval' and such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.
2. Related Party Transactions (RPTs), including subsequent material modifications thereof of the Company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the Audit Committee of the Board from time to time, subject to such exceptions as are provided therein.

For the above purpose, 'material modifications' as defined by the Audit Committee would refer to the following:

Material modification will mean and include any modification to an existing RPT having variance of 20% of the existing limit or ₹ 1 crore whichever is higher, as sanctioned by the Audit Committee/Shareholders, as the case may be. Provided further that:

- With effect from April 1, 2023, a related party transaction to which the subsidiary of a listed entity is a party, but the listed entity is not a party, shall require prior approval of the audit committee of the listed entity if the value of such transaction whether entered into individually or taken together with previous transactions during a financial year, exceeds ten per cent of the annual standalone turnover, as per the last audited financial statements of the subsidiary.
 - Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of sub-regulation (1) of this regulation.
3. Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, including material modifications thereof, except in the following cases:
 - i) Where the transactions are below the threshold limits specified in the Companies Act, 2013 and Rules thereunder or the SEBI Listing Regulations, as may be applicable;
 - ii) Where the transactions are entered into by the Company in its ordinary course of business and are on arms' length basis;
 - iii) Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;
 - iv) Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ₹ 1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower;
 - v) Transactions entered into between the Company and any of its wholly-owned subsidiary whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval;
 - vi) Transactions entered into between two wholly-owned subsidiaries of the Company, whose accounts are consolidated with the Company and placed before the shareholders at the general meeting for approval.

4. Notwithstanding the above, approval of the Board and shareholders would be necessary, where the RPTs exceed the following threshold limits:

Sr. No.	Description	Threshold limits (₹ in crore)
1.	Sale, purchase or supply of any goods or materials or securities	1,000
2.	Borrowing including by way of deposits	
3.	Selling or otherwise disposing off or buying of any property including by way of leave and license arrangement	
4.	Availing or rendering of any services including lending	

The above policy is subject to review from time to time and at least once in every three years.

Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has an Audit Committee. All members are non-executive independent directors. Members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act, SEBI Listing Regulations and RBI Regulations.

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review statement of deviations, if any, review Management letters/letters of internal control weaknesses issued by the statutory auditors, review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The updated terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-audit-committeepdf?scl=1&fmt=pdf>

Meetings and attendance

During FY2025, the Audit Committee met six times viz., on 25 April 2024, 22 July 2024, 22 October 2024, 29 January 2025, 21 February 2025 and 20 March 2025. The meetings were scheduled well in advance and not more than 120 days elapsed between any two consecutive meetings.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, Internal Auditor, Chief Risk Officer, Chief Compliance Officer, Chief Operating Officer, statutory auditors and other senior executives who were considered necessary for providing inputs to the Committee.

The Company Secretary acted as the secretary to the Audit Committee.

Anami N Roy, Chairman of the Committee, was present at the AGM of the Company on 23 July 2024, to answer shareholders' queries.

Dr. Naushad Forbes ceased to be member of the Committee from close of business hours on 20 March 2025 and Tarun Bajaj was inducted as member of the Committee with effect from 21 March 2025.

Table 3: Composition of the Audit Committee and attendance record of the members for FY2025

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2025 (6)	
				Entitled to Attend	Attended
1.	Anami N Roy	10 July 2021	Chairman, Non-executive, independent	6	6
2.	Dr. Naushad Forbes*	19 May 2020	Non-executive, independent	6	6
3.	Pramit Jhaveri	1 August 2021	Non-executive, independent	6	6
4.	Dr. Arindam Bhattacharya	1 April 2023	Non-executive, independent	6	6
5.	Tarun Bajaj**	21 March 2025	Non-executive, independent	-	-

*Ceased to be member of the Committee w.e.f. 20 March 2025

**Inducted as member of the Committee w.e.f. 21 March 2025

During FY2025, the Board had accepted all recommendations of the Committee.

Nomination and Remuneration Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has constituted a Nomination and Remuneration Committee ('NRC').

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Regulations. These broadly include formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and Senior Management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of Remuneration Policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed by the Act, SEBI Listing Regulations and RBI Regulations. Updated terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-nrcpdf?scl=1&fmt=pdf>

The Committee acts as the Compensation Committee for administration of the Company's Employee Stock Option Scheme, 2009.

Meetings and attendance

During FY2025, the Committee met four times viz., on 25 April 2024, 12 September 2024, 27 January 2025 and 20 March 2025.

Radhika Haribhakti, Chairperson of the Committee, was present at the AGM of the Company held on 23 July 2024, to answer shareholders' queries.

Table 4: Composition of the NRC and attendance record of the members for FY2025

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2025 (4)	
				Entitled to attend	Attended
1.	Radhika Haribhakti	1 May 2022	Chairperson, Non-executive, independent	4	4
2.	Sanjiv Bajaj	14 October 2009	Non-executive, non-independent	4	4
3.	Anami N Roy	17 March 2020	Non-executive, independent	4	4

During FY2025, the Board had accepted all recommendations of the Committee.

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and Directors. The criteria for evaluating Independent Directors includes, *inter alia*, their ability to bring external expertise and independent judgment that enhances the objectivity of the Board's deliberations—particularly on matters related to strategy, performance, resource allocation, key appointments, risk management, and standards of conduct. It also considers their commitment to devote adequate time and attention to professional obligations, enabling independent decision-making in the best interest of all stakeholders.

These criteria are hosted on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-27-january-2025-finalpdf?scl=1&fmt=pdf>

Risk Management Committee

Pursuant to the RBI Regulations and SEBI Listing Regulations, the Company has constituted a Risk Management Committee ('RMC').

The terms of reference of RMC, *inter alia*, includes formulation of a detailed Risk Management Policy, reviewing and guiding the Management on various risks associated with the business of the Company, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks, overseeing and reviewing implementation of operational risk management and operational resilience framework, to promote a strong risk culture and reviewing status of 'Risk Appetite/Limit' of the Company based on its 'Risk Capacity'. The updated terms of reference of the Committee can also be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-risk-management-committeepdf?scl=1&fmt=pdf>

The Company has a risk management framework duly approved by the Board. The details of Risk Management and various mitigants are covered in detail in [Management and Discussion Analysis](#) and in the [Directors' Report](#).

Anup Saha and Ajay Kumar Choudhary were inducted as members of the Committee with effect from 21 March 2025. Anami N Roy ceased to be member of the Committee from close of business hours on 20 March 2025.

Fakhari Sarjan, Chief Risk Officer, Sandeep Jain, Chief Financial Officer and Chief Operating Officer and Deepak Bagati, Chief Operating Officer ceased to be member of the Committee with effect from 22 October 2024.

Meetings and attendance

During FY2025, the Committee met six times viz., on 25 April 2024, 23 July 2024, 13 September 2024, 22 October 2024, 28 January 2025 and 19 March 2025.

Table 5: Composition of the RMC and attendance record of the members for FY2025

Sr. No.	Name of director/ member	Member of Committee since	Category	No. of Meetings held during FY2025 (6)		No. of shares held as on 31 March 2025
				Entitled to attend	Attended	
1.	Pramit Jhaveri	1 April 2022	Chairman, Non-executive, independent	6	6	Nil
2.	Sanjiv Bajaj	20 October 2015	Non-executive, Non-independent	6	5	530,792
3.	Anami N Roy [®]	10 July 2021	Non-executive, independent	6	6	Nil
4.	Ajay Kumar Choudhary ^{**}	21 March 2025	Non-executive, independent	-	-	Nil
5.	Rajeev Jain	21 May 2008	Vice-Chairman, executive [§]	6	6	169,950
6.	Anup Saha ^{**}	21 March 2025	Managing Director, executive ^{&}	-	-	Nil
7.	Fakhari Sarjan [#]	12 March 2019	Senior Executive, Chief Risk Officer	4	4	Nil
8.	Sandeep Jain [#]	3 February 2016	Senior Executive, Chief Operating Officer and Chief Financial Officer	4	4	91,211
9.	Deepak Bagati [#]	29 January 2020	Senior Executive, Chief Operating Officer	4	3	Nil

Notes:

[®] Ceased to be the member of the Committee w.e.f. 20 March 2025.

^{**} Inducted as member of the Committee w.e.f. 21 March 2025.

[#] Ceased to be member of the Committee w.e.f. 22 October 2024.

[§] Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

[&] Re-designated as Managing director of the Company w.e.f. 1 April 2025

During FY2025, the Board had accepted all recommendations of the Committee.

Stakeholders Relationship Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has constituted a Stakeholders Relationship Committee ('SRC').

The terms of reference of the Committee, *inter alia*, includes to resolve the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, etc., to approve issuance of duplicate share certificate (letter of confirmation) in lieu of original share certificate lost or misplaced, review of measures taken for effective exercise of voting rights by shareholders, review of adherence to the service standards in respect of various services rendered by the Registrar and Share Transfer Agent ('RTA') and review various measures and initiatives taken for reducing the quantum of unclaimed dividends. The updated terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-stakeholder-relationship-committeepdf?scl=1&fmt=pdf>

More details on this subject and on shareholders' related matters including unclaimed suspense account have been furnished in [General Shareholder Information](#).

Meetings and attendance

During FY2025, the Committee met once on 20 March 2025 to review the status of investors' services rendered. The Company Secretary was present at the said meeting.

The Committee was apprised of the major developments on matters relating to investors. The Committee also reviewed the service standards of the Company's RTA and the measures taken for timely and effective investors grievance redressal that can facilitate better investor services and relations.

Table 6: Composition of the SRC and attendance record of the members for FY2025

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2025 (1)	
				Entitled to attend	Attended
1.	Radhika Haribhakti	1 May 2022	Chairperson, Non-executive, independent	1	1
2.	Sanjiv Bajaj	11 May 2010	Non-executive, non-independent	1	1
3.	Dr. Arindam Bhattacharya	30 January 2024	Non-executive, independent	1	1

R Vijay, Company Secretary, acts as the Compliance Officer.

Radhika Haribhakti, Chairperson of the Committee, was present at the AGM of the Company held on 23 July 2024, to answer shareholders' queries.

During FY2025, the Board had accepted all recommendations of the Committee.

Table 7: Details of the investor complaints received during FY2025

No. of complaints outstanding at the beginning of the year	No. of complaints received	No. of complaints not solved to the satisfaction of the shareholders	No. of complaints solved	No. of pending complaints at the end of the year
0	68	0	63	5

Duplicate Share Certificate Issuance Committee

To meet the requirement of the Act and SEBI Listing Regulations, the Company has constituted a Duplicate Share Certificate Issuance Committee (DSCIC) of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate lost or misplaced.

DSCIC was dissolved w.e.f. 29 April 2025 with the approval of the Board and its terms of reference were subsumed in SRC.

Meeting and Attendance

During FY2025, the Committee met once on 20 March 2025.

Table 8: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of the members for FY2025

Sr. No.	Name of director	Category	No. of Meetings held during FY2025 (1)	
			Entitled to attend	Attended
1.	Sanjiv Bajaj	Chairman, Non-executive, non-independent	1	1
2.	Dr. Naushad Forbes	Non-executive, independent	1	1
3.	Rajeev Jain	Vice-Chairman, executive [@]	1	1

[@]Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

Information Technology (IT) Strategy Committee

Pursuant to Master Direction – Information Technology Framework issued by RBI for NBFC Sector, the Company has constituted an IT Strategy Committee.

Meeting and attendance

During FY2025, the Committee met four times viz., on 24 April 2024, 15 July 2024, 11 October 2024 and 14 January 2025 as required under the above Master Direction.

Sanjiv Bajaj ceased to be member of IT Strategy Committee with effect from close of business hours on 20 March 2025. Further, Anup Saha and Ajay Kumar Choudhary are inducted as the member of the Committee with effect from 21 March 2025.

Anurag Chottani, Chief Operating Officer, Rajendra Bisht, Senior Head-IT and Mudit Mehrish, Chief Information Officer ceased to be member of the Committee from close of business hours of 22 October 2024.

Table 9: Composition of the IT Strategy Committee and attendance record of the members for FY2025

Sr. No.	Name of director/member	Member of Committee since	Category	No. of Meetings held during FY2025 (4)		No. of shares held as on 31 March 2025
				Entitled to attend	Attended	
1.	Dr. Naushad Forbes	17 March 2020	Chairman, Non-executive, Independent	4	4	Nil
2.	Ajay Kumar Choudhary**	21 March 2025	Non-executive, independent	-	-	Nil
3.	Sanjiv Bajaj*	13 September 2017	Non-executive, non-independent	4	4	530,792
4.	Rajeev Jain	13 September 2017	Vice-Chairman, executive [@]	4	3	169,950
5.	Anup Saha**	21 March 2025	Managing Director, executive [§]	-	-	Nil
6.	Anurag Chottani ^{&}	13 September 2017	Senior Executive, Chief Operating Officer	3	3	5,386
7.	Rajendra Bisht ^{&}	12 March 2019	Senior Executive, Senior Head-IT	3	3	Nil
8.	Mudit Mehrish ^{&}	25 April 2024	Senior Executive, Chief Information Officer	2	2	9,002

*Ceased to be member of the Committee w.e.f. 20 March 2025.

& Ceased to be member of the Committee w.e.f. 22 October 2024.

**Inducted as member of the Committee w.e.f. 21 March 2025.

[@] Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

[§] Re-designated as Managing Director of the Company w.e.f. 1 April 2025.

The Chief Information Security Officer is a permanent invitee to the IT Strategy Committee.

The terms of reference of the Committee, *inter alia*, includes evaluation of risks related to cyber security/information security and review of Business Continuity Plan /Disaster Recovery Plan. The updated terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-it-committeepdf?scl=1&fmt=pdf>

During FY2025, the Committee reviewed IT Infrastructure Projects, Information Security Projects, Governance Framework, Cyber Security, System Audit Reports, etc.

During FY2025, the Board had accepted all recommendations of the Committee.

Customer Service Committee

To strengthen the customer engagement and monitoring process, the Company has suo-moto constituted a Customer Service Committee headed by an independent director.

Meeting and attendance

During FY2025, the Committee met six times viz., on 25 April 2024, 9 July 2024, 13 September 2024, 22 October 2024, 27 January 2025 and 20 March 2025.

Dr. Naushad Forbes and Rajeev Jain ceased to be member of Customer Service Committee from close of business hours on 20 March 2025. Further, Anup Saha and Tarun Bajaj were inducted as the member of the Committee with effect from 21 March 2025.

Table 10: Composition of the Customer Service Committee and attendance record of the members for FY2025

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2025 (6)	
				Entitled to attend	Attended
1.	Pramit Jhaveri	14 March 2022	Chairman, Non-executive, independent	6	6
2.	Sanjiv Bajaj	14 March 2022	Non-executive, non-independent	6	6
3.	Rajeev Jain*	14 March 2022	Vice-Chairman, executive [@]	6	6
4.	Dr. Naushad Forbes*	14 March 2022	Non-executive, independent	6	6

Sr. No.	Name of director	Member of Committee since	Category	No. of Meetings held during FY2025 (6)	
				Entitled to attend	Attended
5.	Anup Saha**	21 March 2025	Managing Director, executive [§]	-	-
6.	Tarun Bajaj**	21 March 2025	Non-executive, independent	-	-

*Ceased to be member of the Committee w.e.f. 20 March 2025.

**Inducted as member of the Committee w.e.f. 21 March 2025.

[§] Re-designated as Managing Director of the Company w.e.f. 1 April 2025.

[@] Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

The terms of reference of the Committee, *inter alia*, includes overseeing implementation of service enhancement initiatives across the Company, review adherence to Fair Practices Code, grievance redressal and issues bearing on the quality of services rendered by the Company. The updated terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-customer-service-committeepdf?scl=1&fmt=pdf>

During FY2025, the Committee reviewed, *inter alia*, customer service and grievance related matters and also had discussions with internal ombudsmen. Details of various initiatives with respect to customer service are provided in the [Directors' Report](#) and [Management Discussion and Analysis](#).

During FY2025, the Board had accepted all recommendations of the Committee.

Review Committee for Wilful Defaulter's Identification ('Review Committee')

In line with the RBI Guidelines, the Company is required to constitute a committee for identifying non-cooperative borrowers as specified in the said guidelines. Accordingly, the Company had constituted a Committee to assess Wilful Defaulters. To review the proposals made by this Committee, a Review Committee of the Board was also constituted. The identification order becomes final only upon confirmation by the Review Committee.

Pursuant to the RBI Master Direction on Treatment of Wilful Defaulters and Large Defaulters issued on 30 July 2024, the Company has reconstituted the Committee to assess Wilful Defaulters and renamed it as the "Identification Committee" for identifying wilful defaulters. The role of the Review Committee remains unchanged.

The terms of reference of the Committee, *inter alia*, includes review of the order passed by Identification Committee after considering written representation, if any forwarded by non-cooperative borrower(s)/Wilful Defaulters and pass necessary orders upholding/rejecting the order passed by identification committee.

Meeting and attendance

During FY2025, the Committee met once on 21 March 2025 to review the wilful defaulters and large defaulters identified by the Identification Committee.

Sanjiv Bajaj ceased to be member of Review Committee from close of business hours on 20 March 2025. Further, Anup Saha was inducted as the member of the Committee with effect from 21 March 2025.

Table 11: Composition of the Review Committee and attendance record of the members for FY2025:

Sr. No.	Name of Director	Member of Committee since	Category	No. of Meetings held during FY2025 (1)	
				Entitled to attend	Attended
1.	Anup Saha**	21 March 2025	Chairman, Managing Director, executive [§]	1	1
2.	Sanjiv Bajaj*	15 September 2015	Non-executive, non-independent	-	-
3.	Rajeev Jain	15 September 2015	Vice-Chairman, executive [@]	1	0
4.	Radhika Haribhakti	27 July 2022	Non-executive, independent	1	1
5.	Anami N Roy	19 May 2020	Non-executive, independent	1	1

*Ceased to be member of the Committee w.e.f. 20 March 2025.

**Inducted as member of the Committee w.e.f. 21 March 2025.

[@] Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

[§] Re-designated as Managing Director of the Company w.e.f. 1 April 2025.

The terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-for-review-committeepdf-2?scl=1&fmt=pdf>.

Strategic Investment Committee

To expand the Company's strategic footprint, it explores various investment opportunities in financial services, technology, and related areas. To facilitate the Board with appropriate recommendations on these strategic investments, the Board had constituted a Strategic Investment Committee. It comprises majority of independent directors. An Independent director chairs the meetings of the Committee.

The terms of reference of the Committee, *inter alia*, includes to evaluate, scrutinise, consider and recommend to the Board, strategic investment opportunities and business acquisitions in companies, bodies corporate and other entities, recommend and review terms and conditions of investment, to obtain or review outside legal or other professional advice or reports, review and recommend all investments including investments and disinvestments by the Company in its subsidiaries and affiliates, etc. The updated terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-sicpdf?scl=1&fmt=pdf>

Meeting and Attendance

During FY2025, the Committee met six times viz., on 25 April 2024, 7 June 2024, 22 October 2024, 8 January 2025, 28 January 2025 and 19 March 2025.

Rajeev Jain was inducted as the member of the Committee with effect from 21 March 2025.

Table 12: Composition of the Strategic Investment Committee and attendance record of the members for FY2025:

Sr. No.	Name of member	Member of Committee since	Category	No. of meetings held during FY2025 (6)	
				Entitled to attend	Attended
1.	Pramit Jhaveri	26 July 2023	Chairman, Non-executive, independent	6	6
2.	Radhika Haribhakti	26 July 2023	Non-executive, independent	6	6
3.	Anami N Roy	26 July 2023	Non-executive, independent	6	5
4.	Sanjiv Bajaj	26 July 2023	Non-executive, non-independent	6	6
5.	Rajeev Jain*	21 March 2025	Vice-Chairman, executive®	-	-

* Inducted as member of the Committee w.e.f. 21 March 2025.

®Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

During FY2025, the Board had accepted all recommendations of the Committee.

Special Committee for Monitoring and follow up of cases of fraud

In line with Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) issued by RBI, the Company has constituted a special committee of the Board on 22 October 2024, for prevention, early detection and timely reporting of incidents of fraud. The Committee is headed by an Independent Director.

The terms of reference of the Committee, *inter alia*, includes review and monitoring the cases of fraud including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds, oversee effectiveness of fraud risk management, etc. The terms of reference of the Committee can be accessed at <https://www.aboutbajajfinserv.com/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfi-new/bfi-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-fmc.pdf>

Meeting and Attendance

During FY2025, the Committee met once on 27 January 2025.

Table 13: Composition of the Special Committee for monitoring and follow up of cases of fraud and attendance record of the members for FY2025:

Sr. No.	Name of member	Member of Committee since	Category	No. of meetings held during FY2025 (1)	
				Entitled to attend	Attended
1.	Anami N Roy	22 October 2024	Chairman, non-executive, independent	1	1
2.	Tarun Bajaj	22 October 2024	Non-executive, independent	1	1
3.	Rajeev Jain	22 October 2024	Vice-Chairman, executive [®]	1	1
4.	Anup Saha	22 October 2024	Managing Director, executive [§]	1	1

[®] Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

[§] Re-designated as Managing Director of the Company w.e.f. 1 April 2025.

During FY2025, the Board had accepted all recommendations of the Committee.

Credit Committee

A board level committee has been constituted on 20 March 2025 to review and sanction credit facilities for various lines of businesses as per the delegation matrix approved by the Board. The terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-credit-committeepdf?scl=1&fmt=pdf>

Table 14: Composition of the Credit Committee:

Sr. No.	Name of member	Member of Committee since	Category
1.	Anami N Roy	20 March 2025	Chairman, non-executive, independent
2.	Radhika Haribhakti	20 March 2025	Non-executive, independent
3.	Rajeev Jain	20 March 2025	Vice-Chairman, executive [®]
4.	Anup Saha	20 March 2025	Managing Director, executive [§]

[®] Elevated as Vice-Chairman of the Company w.e.f. 1 April 2025.

[§] Re-designated as Managing Director of the Company w.e.f. 1 April 2025.

Asset Liability Management Committee

Pursuant to the RBI Guidelines, the Company has in place an Asset Liability Management Committee. The Committee comprises of Managing Director/Executive Directors and other senior executives of the Company.

The Managing Director chairs the meetings of the Committee.

The role of the Committee is to oversee the implementation of the Asset Liability Management system and review its functionality periodically covering liquidity risk management, management of market risks, funding and capital planning, profit planning etc.

The Committee meets on a monthly basis. The Board is updated on the decisions of the Committee.

Investment Committee

Pursuant to the RBI Guidelines, the Company has in place an Investment Committee. The Committee comprises of senior executives of the Company. The Managing Director chairs the meetings of the Committee.

The role of the Committee is to review the investment strategy, asset allocation, investment decision and other operating guidelines, monitor the changing environment in the money market/capital market and accordingly, recommend changes to the investment strategy for execution and also review the audit reports on Treasury operations and provide directions for corrective actions, if any.

The said Committee meets on a monthly basis. The Board is updated on decisions of the Committee.

Remuneration of Directors

Pecuniary relationship/transaction with non-executive directors

During FY2025, there were no pecuniary relationship/transactions of any non-executive directors with the Company, other than receiving remuneration as directors.

Criteria of making payments to non-executive directors

Details of the Company play a crucial role in the independent functioning of the Board. They bring in an external perspective to decision-making and provide leadership and strategic guidance while maintaining objective judgement. They also oversee the corporate governance framework of the Company.

The criteria of making payments to non-executive directors is placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/criteria-for-payments-of-remuneration-to-non-executive-directors-v3pdf?scl=1&fmt=pdf>

Details of remuneration of directors

Additionally, the details of remuneration payable to all non-executive directors are provided in the Form MGT-7 ('annual return') which is hosted on the website of the Company and can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>

Remuneration to Executive Directors

» Rajeet Jain

Details of remuneration paid to Rajeet Jain, Managing Director ('MD') is provided in the annual return and elsewhere in this report. The tenure of the MD is of five years up to 31 March 2025 with a notice period of six months or salary in lieu thereof. On completion of tenure, Rajeet Jain has been appointed as Vice-Chairman for period of three years with effect from 1 April 2025. The performance pay/bonus of the MD is based on the performance of the Company and his contribution towards the same. There is no provision for payment of severance fees. During FY2025, 137,618 stock options were granted to the MD at a grant price of ₹ 7,329.15, being the closing market price on the NSE on the day preceding the day of grant. These grants will vest over a period of four years (25% every year) after a period of one year from the date of grant. The vested options will be exercisable over a period of five years from the date of vesting. The MD is also entitled to other perquisites and benefits mentioned in the agreement entered into with the Company. Further, the compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Regulations.

He is also on the Board of Bajaj Housing Finance Ltd. ('BHFL') as its Non-executive Vice-Chairman. In his capacity as a non-executive director, he draws sitting fees and profit linked commission from BHFL at par with other non-executive directors in terms of its remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2025 is ₹ 99 lakh. He has also been awarded one time grant of stock options of Bajaj Finserv Ltd. ('BFS'), holding company, during FY2023. All options will vest entirely post completion of 5 years from the grant date.

» Anup Saha

Details of remuneration paid to Anup Saha, Deputy Managing Director is provided in the annual return and elsewhere in this report. Anup Saha has been re-designated as Managing Director with effect from 1 April 2025. The tenure of the Anup Saha is of five years up to 31 March 2028 with a notice period of six months or salary in lieu thereof. The performance pay/bonus of Anup Saha is based on the performance of the Company and his contribution towards the same. There is no provision for payment of severance fees. During FY2025, Anup Saha was granted 50,246 stock options at a grant price of ₹ 7,329.15, being the closing market price on the NSE on the day preceding the day of grant. These grants will vest over a period of four years (25% every year) after a period of one year from the date of grant. The vested options will be exercisable over a period of five years from the date of vesting. He is also entitled to other perquisites and benefits as approved by the shareholders.

Further, the compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Regulations. He has also been awarded one time grant of stock options of BFS during FY2023. All options will vest entirely post completion of 5 years from the grant date.

Management discussion and analysis

This is given as a separate section in the Annual Report.

Disclosure of material transactions

Pursuant to the SEBI Listing Regulations, senior management is required to make disclosures to the Board relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company at large. As per the disclosures submitted by the Senior Management, there were no such transactions during FY2025.

Compliances regarding Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, ('SEBI PIT Regulations') the Company has a Board approved Code of Conduct to regulate, monitor and report trading by Designated Persons ('Code of Conduct') and a code of practices and procedures for fair disclosure of unpublished price sensitive information ('Code of Fair Disclosure'). Wherever non-compliance by a Designated Person concerned was observed, penalty was levied, and the amount was remitted to the SEBI stipulated fund.

By frequent communications, the Company also makes aware the Designated Persons of their obligations under the SEBI PIT Regulations. The Audit Committee and the Board at its meeting held on 20 March 2025 had reviewed the compliance in terms of regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to Insider Trading Regulations are adequate and are operating effectively.

Means of communication

Quarterly and annual financial results are published in the Business Standard and Lokmat. An abridged version of the financial results is also published in all editions of the Mint, Hindu Business Line, Economic Times, Financial Express, Amar Ujala and Hindustan Times.

The Company's website, viz., <https://www.aboutbajajfinserv.com/finance-investor-relations-financial-results> under the section of 'investor relations', contains all important information including financial results, various policies framed/approved by the Board, presentations made to the media, analysts and institutional investors, schedule and transcripts of earnings call with investors, matters concerning the shareholders, etc.

All financial and other vital official news releases and documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

Information on general body meetings and details of special resolution(s) passed

A. Details of the AGMs held during last three years:

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM	Voting percentage of shareholders participated		
			Particulars	% favour	% Against
35th AGM – Through VC Deemed Venue: Registered office	27 July 2022 at 3:30 P.M.	1. Appointment of Radhika Haribhakti as an independent director for a period of 5 consecutive years effective 1 May 2022.	All shareholders	94.08	5.92
			Non-promoter category	81.54	18.46
		2. Issue of non-convertible debentures through private placement.	All shareholders	99.31	0.69
			Non-promoter category	97.90	2.10
		3. Payment of commission to non-executive directors for a period of five years commencing from 1 April 2022.	All shareholders	98.41	1.59
			Non-promoter category	95.17	4.83
36th AGM – Through VC Deemed Venue: Registered office	26 July 2023 at 3:30 P.M.	1. Issue of non-convertible debentures through private placement.	All shareholders	99.35	0.65
			Non-promoter category	98.10	1.90
		2. Alteration of Articles of Association of the Company.	All shareholders	100.00	0.00
			Non-promoter category	99.99	0.00

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM	Voting percentage of shareholders participated		
37th AGM Venue: Hyatt Regency, Viman Nagar, Pune	23 July 2024 at 3:30 P.M.	1. Appointment of Tarun Bajaj (DIN: 02026219) as an independent director for a term of five consecutive years w.e.f. 1 August 2024.		%	%
			Particulars	favour	Against
			All shareholders	99.92	0.08
			Non-promoter category	99.79	0.21
		2. Issue of non-convertible debentures through private placement		%	%
			Particulars	favour	Against
			All shareholders	99.39	0.61
			Non-promoter category	98.34	1.66

B. Details of special resolution passed through Postal Ballot during last year

During FY2025, the Company had sought approval of the members through postal ballot, the details of the same are given below:

I. Postal Ballot notice dated 29 January 2025:

a) Details of voting:

Sr. No.	Items of special business	Voting percentage of shareholders participated		
1.	Appointment of Ajay Kumar Choudhary (DIN:09498080) as an Independent Director for a term of five consecutive years with effect from 1 February 2025		%	%
		Particulars	favour	Against
		All shareholders	98.86	1.15
		Non-promoter category	96.97	3.03

The Company had appointed Shyamprasad D Limaye, Practicing Company Secretary (FCS No. 1587, CP No. 572) as Scrutiniser for conducting the postal ballot including remote e-voting process in a fair and transparent manner.

It can be seen from the above, all resolutions proposed by the Board have been passed with overwhelming majority by the shareholders. The percentage of votes in favour, when reckoned to the exclusion of promoters/ promoter group category has also received overwhelming majority.

C. Special Resolutions proposed to be conducted through postal ballot

The Company did not propose any special resolutions through postal ballot. However, the following ordinary resolutions were placed for approval of the Members (through remote e-voting) through postal ballot notice dated 29 April 2025:

- Appointment of Rajeev Jain (DIN: 01550158) as an Executive Director of the Company designated as Vice-Chairman with effect from 1 April 2025.
- Re-designation of Anup Saha (DIN: 07640220) as Managing Director of the Company and revision in remuneration with effect from 1 April 2025.
- Sub-division of equity shares of the Company;
- Alteration of Capital Clause of the Memorandum of Association of the Company; and
- Issue of Bonus Shares.

D. Procedure for postal ballot

Pursuant to the provisions of the Act, postal ballot notice is dispatched only through electronics means at the registered email addresses of the members. The Company also provides instructions to register the mail address to the members who have not registered the same, to enable the Company to provide all communications through email.

In compliance with the provisions the Company provides facility to the members to exercise votes only through electronic voting system ('remote e-voting').

The Company also publishes notice in the newspapers for the information of the members. Voting rights are reckoned on the equity shares held by the members as on the cut-off date.

Pursuant to the provisions of the Act, the Company appoints a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submits his consolidated report to the Chairman and the voting results are announced by the Chairman by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolution, if passed by requisite majority, is deemed to have been passed on the last date specified by the Company for remote e-voting.

Details of capital market non-compliance, if any

A fine of ₹ 50,000 was levied by BSE Ltd. for delayed intimation of payment of interest and principal in respect of 4 ISINs of privately placed Non-Convertible Debentures in FY2023. The aforementioned intimations pertain to June 2021, November 2021 and September 2022. The Company has paid the requisite fine. There has been no delay or default in the payment of interest or principal to the debenture holders.

Apart from aforesaid penalty, no other penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI, or any other statutory authority, in any matter related to capital markets, during the last three years.

Details of non-compliance with requirements of Companies Act, 2013

During the year under review there has been no instances of default in compliance with the requirements of the Act, including with respect to compliance with accounting and secretarial standards.

Details of penalties imposed by Regulatory Authorities

During FY2025, following orders were passed by regulatory authorities:

- IRDAI issued an order dated 15 July 2024, levying a penalty in aggregate of ₹ 2 crore for violation of provisions of IRDAI Regulations as below:
 - Penalty of ₹1 crore with respect to reconciliation of commission and professional fees received and that reported to the Authority in violations of Regulations-31 (3) and 23(g) of IRDA (Registration of Corporate Agents) Regulations, 2015.
 - Penalty of ₹1 crore with respect to maintenance of records of customer documentation in violations of Regulations-25 (2) (ix) and Para-I (4) of Schedule-VII of Regulations-25 (1), Regulations-26 (1) and Regulations-30 (ii) of IRDAI (Registration of Corporate Agents) Regulations, 2015.
- Director General of GST Intelligence (DGGI), Kochi Zonal Unit issued show cause notice (SCN) alleging that the fixed amount of upfront interest collected from customers in B2B business should be considered as fee/service charge and accordingly is liable to GST. The amount of GST demanded vide above referred SCN is ~ ₹ 342 crore (excluding interest and penalty) for the period from July 2017 to March 2024. In the said SCN, DGGI has also proposed an equal amount of penalty and interest till the date of payment of the said tax.

Compliance with covenants

During the year under review, the Company has complied with the all covenants relating to loans availed and debt securities issued.

Compliance Certificate

The Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under the SEBI Listing Regulations.

Report on Corporate Governance

This section read together with the information given in the [Directors' Report](#), the section on [Management Discussion and Analysis](#) and [General Shareholder Information](#), constitute the compliance report on Corporate Governance for FY2025.

The Company has been submitting the quarterly corporate governance compliance report to the stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations.

Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The disclosure as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 is given below:

Number of complaints filed during FY2025	10
Number of complaints disposed of during FY2025	9
Number of complaints pending at the end of FY2025	1

Fees paid to statutory auditors

Deloitte Haskins & Sells ('Deloitte') and G. M. Kapadia & Co. ('G. M. Kapadia') were appointed as joint statutory auditors of the Company effective 17 November 2021 to conduct audit of accounts of the Company for the FY2022, 2023 and 2024 respectively.

- Fees paid to Deloitte Haskins & Sells and G. M. Kapadia & Co., by BFL including all entities in their network firm/entity of which they are a part, is given below:

Sr. No.	Particulars	Amount (₹ in lakh)	
		Deloitte	G. M. Kapadia
1.	Audit Fees	-	-
2.	Fees for other services	7.49	5.82

Further, G. M. Kapadia & Co. was appointed as statutory auditor of BFinsec, subsidiary of the Company effective 16 November 2021 to conduct audit till FY2026.

- Fees paid to G. M. Kapadia & Co., by BFinsec including all entities in their network firm/entity of which they are a part, is given below:

Sr. No.	Particulars	Amount (₹ in lakh)
1.	Audit Fees	5.00
2.	Fees for other services	3.00

Price Waterhouse LLP ('PwC') and Kirtane and Pandit LLP ('KP') were appointed as joint statutory auditors of the Company effective 23 July 2024 for 3 years to hold office till the AGM scheduled in 2027 for audit of Financial Statements for FY 2025, 2026 and 2027 as per RBI Guidelines.

- Fees paid to Kirtane and Pandit LLP, on a consolidated basis, and Price Waterhouse LLP, including all entities in their network firm/entity of which they are a part, is given below:

Sr. No.	Particulars	Amount (₹ in lakh)	
		KP	PwC
1.	Audit Fees	41.08	98.10
2.	Fees for other services	27.05	18.22

Senior Management

Details of Senior Management Personnel(s) ('SMTs') as on 31 March 2025 pursuant to provisions of Schedule V (C) (5B) of the SEBI Listing Regulations are as follows:

Sr. No.	Name of SMTs	Designation
1.	Ajay Sharda	Chief - Debt Management Services
2.	Amit Raghuvanshi	President - Cars, Two-Wheeler and Sales Finance
3.	Anand Bagri	Senior Executive Vice President - Treasury
4.	Anand Kumar	President - Microfinance
5.	Anupam Sirbhaiya	President and Chief Human Resources and Administration Officer
6.	Anurag Chottani	Chief Operating Officer
7.	Babu Rao	General Counsel

Sr. No.	Name of SMTs	Designation
8.	Deepak Bagati	Chief Operating Officer
9.	Deepak Reddy	President - Rural Lending, Gold Loans & Insurance Businesses
10.	Fakhari Sarjan	Chief Risk Officer
11.	Dr. Gauri Chandratreya	Executive Vice President - Corporate Audit Services
12.	Harjeet Toor	Deputy Chief Executive Officer*
13.	Kurush Irani**	President - Corporate Social Responsibility
14.	Manav Mianwal	President - Digital Platforms
15.	Manish Jain	Deputy Chief Executive Officer*
16.	Mudit Mehrish	Deputy Chief Information Officer
17.	Neelesh Sarda	Chief Compliance Officer
18.	Nitin Neema	Executive Vice President - Operations, Credit and Service
19.	Nitish Asthana	President - Payments
20.	Prashant Verma	Chief Information and Security Officer
21.	Sandeep Jain	Chief Operating Officer and Chief Financial Officer
22.	Sidhaant Dadwal	Deputy Chief Executive Officer*
23.	R Vijay	Company Secretary
24.	Vivek Likhite®	President - Corporate Audit Services

*Elevated as Deputy Chief Executive Officer w.e.f. 1 May 2025.

**Ceased to be Senior Management w.e.f. 29 April 2025.

®On account of attaining age of superannuation ceased to be Senior Management.

During the year under the review there were no changes in the list of SMTs.

Disclosure of certain types of agreements binding listed entities

The Company has not entered into agreements with shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, subsidiary or associate company, among themselves or with the Company or with a third party, solely or jointly, which, either directly or indirectly or potentially or whose purpose and effect is to impact the management or control of the Company or impose any restrictions or create any liability upon the Company.

Compliance of mandatory and discretionary requirements

Mandatory

The Board of Directors periodically reviews the compliance of all applicable laws. The Company has complied with all the mandatory requirements of the SEBI Listing Regulations including but not limited to the provisions of regulations 17 to 27 and 46(2)(b) to (i) of the said Regulations.

Discretionary

The Company has also complied with the discretionary requirements as under:

1. Shareholder rights

A half-yearly declaration of financial performance including summary of significant events in the preceding six months is sent to members.

2. Modified opinion(s) in audit report

The Company confirms that its financial statements are with unmodified audit opinion.

3. Separate posts of Chairperson and the Managing Director

The positions of Chairperson and Managing Director are held by two different persons who are not related to each other.

Auditors' certificate on Corporate Governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations. This certificate is annexed to the [Directors' Report](#).

Declaration by the Chief Executive Officer/Managing Director

[Regulation 34(3) read with schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,

The Board of Directors

Bajaj Finance Ltd.

I, Anup Saha, Managing Director of Bajaj Finance Ltd. hereby declare that all the Board members and senior managerial personnel have affirmed compliance with the Code of Conduct of the Company laid down for them for the year ended 31 March 2025.

Anup Saha

Managing Director

29 April 2025

Pune

GENERAL SHAREHOLDER INFORMATION

38th Annual General Meeting ('AGM')

Day and date	Thursday, 24 July 2025
Time	3:30 p.m.
Mode of AGM	In-person (Physical AGM)
Venue of the Meeting	Hotel Hyatt Regency, Opposite Weikfield IT Citi Info Park, Nagar Road, Viman Nagar, Pune – 411 014
Link to join one-way live webcast	https://emeetings.kfintech.com/
Remote e-voting start	Sunday, 20 July 2025 9:00 a.m.
Remote e-voting ends	Wednesday, 23 July 2025 5:00 p.m.
Financial Year ('FY')	1 April 2024 to 31 March 2025

Tentative meeting schedule for Financial Reporting

The tentative months for meetings of Audit Committee and Board of Directors for consideration of standalone and consolidated financial results during the Financial Year 2025-26 are as follows:

Sr. No.	Particulars	Indicative Month
1.	To review and approve the unaudited financial results for the quarter ending 30 June 2025, subject to limited review	July 2025
2.	To review and approve the unaudited financial results for the quarter and half-year ending 30 September 2025, subject to limited review	October/November 2025
3.	To review and approve the unaudited financial results for the quarter and nine months ending 31 December 2025, subject to limited review	January/February 2026
4.	To review and approve audited annual financial results for the year ending 31 March 2026, subject to audit	April 2026

In addition to the above, Board meetings are convened in September and March to discuss strategy, operating plans and other matters. Additional committee meetings are also convened as and when deemed necessary.

Registrar and Share Transfer Agent ('RTA')

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') KFin Technologies Limited ('KFin') continues to be the Registrar and Share Transfer Agent to manage all relevant corporate registry services for the equity shares, debentures and commercial papers.

Review of service standards adhered by KFin with respect to share related activities

The Company ('Bajaj Finance', 'Bajaj Finance Limited', 'BFL') has agreed service timelines and standards for various shareholder related service with KFin. On an on-going basis, the secretarial team engages with officials of KFin at various levels for review of these standards and other share related activities. Periodic meetings and discussions are held for follow up on pending matters and review adherence to agreed timelines for processing service request and deviations, if any, in said timeliness. In addition, the activities at KFin are also reviewed by the Stakeholders' Relationship Committee and internal audit team.

KFin has also established a dedicated Investor Cell to assist the Senior Citizens in redressing their grievances, complaints and queries. Senior Citizens wishing to avail this service have been provided with a designated email id i.e., senior.citizen@kfintech.com.

Dividend and date of payment

Final Dividend

The Board of Directors ('Board') have recommended a dividend of ₹ 44 per equity share (2200%) of face value of ₹ 2 for FY2025, subject to approval of the members at the ensuing AGM.

Dividend on equity shares, if declared, at the AGM, will be credited/dispatched on or about Monday, 28 July 2025 to all eligible shareholders holding shares as of the end of the day on Friday, 30 May 2025 (record date). The total dividend pay-out on account of final dividend is ₹ 2,734.29 crore.

Special (Interim) Dividend

The Board of Directors, at its meeting held on 29 April 2025, declared a special (interim) dividend of ₹ 12 per equity share (600%) of face value of ₹ 2 for the year ended 31 March 2025. The record date fixed for the purpose of declaration of dividend was 9 May 2025. The total dividend pay-out on account of interim dividend is ₹ 745.71 crore.

The distribution of Special (Interim) Dividend is on account of exceptional gain resulting from the sale of investment in Bajaj Housing Finance Limited ('BHFL') as part of IPO listing in September 2024.

Payment of dividend

The SEBI Listing Regulations read with SEBI circular dated 20 April 2018, require companies to use any electronic mode of payment approved by the Reserve Bank of India ('RBI') for making payment to members. Accordingly, the said dividend will be paid through electronic mode, where the bank account details of the members are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the members.

In cases where the dividend cannot be paid through electronic mode, it will be paid by account payee/non-negotiable instruments/warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on such payment instruments.

As per SEBI Circular dated 16 March 2023, as updated, read with SEBI circular dated 10 June 2024, it has been mandated that the security holders holding securities in physical form, whose folio(s) do not have PAN (Aadhar seeded) or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 1 April 2024 and shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing PAN and KYC details.

In case of any of the aforesaid KYC has not been updated in respect of physical folios, dividend shall be paid only through electronic mode with effect from 1 April 2024, upon furnishing all the aforesaid details in entirety. After successful updation of the details, the security holder would receive all the dividends/interest etc. declared during that period (from 1 April 2024, till date of updation) automatically in respect of the folio/securities. While, submission of 'Choice of Nomination' by the shareholders, holding shares in physical mode, has been made optional, shareholders are encouraged to submit their 'Choice of Nomination' to KFin to ensure seamless transmission of securities, in the event of death of claimant and to avoid hardships arising out of the procedural formalities involved in the transmission of securities.

For enabling payment of dividend through electronic mode, members holding shares in physical mode are requested to send Form ISR-1 along with requisite documents to KFin. The form can be downloaded from the website of the Company at <https://www.aboutbajajfinserv.com/finance-investor-relations-investor-request-forms> and KFin at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

In case of members holding shares in demat mode, they are requested to update details with their respective depository participant.

Tax Deducted at Source ('TDS') on dividend

As per the provisions of the Income Tax Act, 1961 ('Act'), the final dividend, if declared and paid by the Company, will be taxable in the hands of the members. Accordingly, the Company would be required to deduct applicable TDS on dividend payment to members in accordance with provisions of the Act. For more details, members are requested to refer to the Notice of AGM.

Tax Deducted at Source ('TDS') on interest of Non-Convertible Debentures

As per the provisions of the Income Tax Act, 1961 ('Act'), the Company would be required to deduct applicable TDS on interest payment to the Non-Convertible Debentures ('NCD') holders who are entitled to receive the interest on NCD held by them on the record date.

Unclaimed dividend

As per Section 124(5) of the Companies Act, 2013 (the 'Act') and Section 205A of the erstwhile Companies Act, 1956, any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund') set up by Central Government. Accordingly, unpaid/unclaimed dividends for FY1996 to FY2017 have already been transferred by the Company to the said Fund from FY2003 onwards.

The unpaid/unclaimed final dividend for FY2018, is due for transfer to the Fund in August 2025. Members are requested to verify their records and send their claim, if any, for the said year. Communication is being sent to those members, who have not yet claimed dividend requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The following are the details of unclaimed dividends which are due to be transferred to the Fund in coming years including current year:

Year	Dividend Type	Date of declaration	Last date for claiming dividend	Date of transfer to Fund (on or before)
2017-2018	Final	19 July 2018	18 August 2025	17 September 2025
2018-2019	Final	25 July 2019	24 August 2026	23 September 2026
2019-2020	Interim (Confirmed as Final)	21 February 2020	22 March 2027	21 April 2027
2020-2021	Final	20 July 2021	19 August 2028	18 September 2028
2021-2022	Final	27 July 2022	26 August 2029	25 September 2029
2022-2023	Final	26 July 2023	25 August 2030	24 September 2030
2023-2024	Final	23 July 2024	22 August 2031	21 September 2031

The Company has also hosted the details of unclaimed dividend, unclaimed deposits and unclaimed interest on deposits on its website at <https://www.aboutbajajfinserv.com/finance-investor-relations-unclaimed-dividend> and also on website specified by the Ministry of Corporate Affairs ('MCA') at <https://iepf.gov.in/login>.

Initiatives for reduction of unclaimed dividend

The Company with a view to reduce the quantum of unclaimed dividend has undertaken several steps as was done in the last few years. These primarily included proactively reaching out to shareholders, sending periodic communications, advising the shareholders who approach the Company/KFin for any service request to claim their dividend and remitting unpaid dividend, if any, for KYC compliant folios. The amount is remitted based on the verification of the documents and bonafides of the claim. The Company will continue to undertake various initiatives in this regard.

Transfer of shares to IEPF

Pursuant to Section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to Demat Account of the Investor Education and Protection Fund ('IEPF') Authority by the Company within a period of thirty days of expiry of said seven years.

The Company has published a notice in newspapers intimating the members about the said transfer. These details will also be made available on the Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-unclaimed-dividend>. In addition, Company has taken various steps on an ongoing basis to reach out to shareholders, through emails, and other means, whose shares are due to be transferred to IEPF on account of not claiming dividend for a consecutive period of seven years.

During FY2025, the Company transferred 7,215 equity shares of face value of ₹ 2 in respect of 14 shareholders to Demat Account of the IEPF Authority held with National Securities Depositories Limited ('NSDL').

Shareholder can claim such shares and unclaimed dividends transferred to the Fund by following the procedure prescribed under the IEPF Rules. As advised by MCA through their circular dated 19 July 2018, the Company has provided an access link to the refund webpage of IEPF Authority on its website at

<https://www.aboutbajajfinserv.com/finance-investor-relations-unclaimed-dividend> to facilitate refund procedure for its investors/claimants. Members are requested to get in touch with the nodal officer/deputy nodal officer for further details on the subject at investor.service@bajajfinserv.in.

Share transfer system

All transmission, transposition, issuance of Letter of Confirmation ('LoC') to shareholders in lieu of duplicate share certificate(s), etc., as well as requests for dematerialisation/ rematerialisation are processed at KFin. The work related to dematerialisation/ rematerialisation is handled by KFin through connectivity with NSDL and Central Depository Services (India) Limited ('CDSL').

As per SEBI Circular dated 16 March 2023, as updated, has mandated listed entities to issue shares in dematerialised form only while processing any service requests.

Therefore, Members holding shares in physical form are advised to dematerialise their shareholding.

Dematerialisation/Rematerialisation of shares and Liquidity:

During FY2025, 26,250 shares were dematerialised (previous year – 87,315 shares). No shares were rematerialized during last and current financial year i.e., FY2024 and FY2025, respectively. Shares held in physical and electronic mode as on 31 March 2025 are given in Table 1.

Table 1: Shares held in physical and electronic mode as on 31 March 2025

Particulars	Position as on 31 March 2025		
	No. of holders	No. of shares	% to total shareholding
Demat			
NSDL	269,136	603,152,454	97.06
CDSL	471,690	17,840,813	2.87
Physical	312	435,385	0.07
Total	7,41,138	621,428,652	100

Liquidity

The equity shares of the Company are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') and are frequently traded. The summary of average daily trading in equity shares of the Company on both the stock exchanges for FY2025 is shown as below:

Particulars	No. of shares traded	Value of shares (₹ in crore)
BSE	46,532	33.70
NSE	1,185,268	869.57
Total	1,231,800	903.27

The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise.

Listing on stock exchanges and Stock code

Name	Stock code for Equity shares	Address
BSE	500034	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
NSE	BAJFINANCE-EQ	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

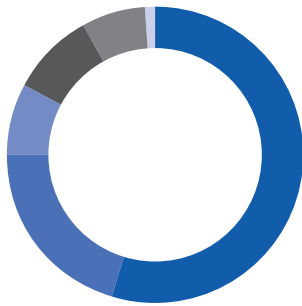
The International Securities Identification Number ('ISIN') for Depositories (NSDL and CDSL) in respect of equity shares is INE296A01024.

The NCDs and Commercial Papers are listed on the wholesale debt segment of BSE.

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2026.

Distribution of shareholding

Table 2 gives details about the pattern of shareholding across various categories as on 31 March 2025, while Table 3 gives the data according to size class.

Table 2: Distribution of shareholding across categories as on 31 March 2025

Category	% to Capital
● Promoter and Promoter Group	54.73
● Foreign Institutional Investor/Foreign Portfolio Investor	21.46
● Residents and Non-residents individuals	7.63
● Mutual Fund	9.00
● Corporates	6.77
● Others	0.41
Total	100

Table 3: Distribution of shareholding according to size class as on 31 March 2025

Category (Shares)	No. of Members	% to total members	No. of shares held	% to total capital
1 - 1000	734,257	99.07	21,362,467	3.44
1001 - 5000	4,435	0.60	9,162,375	1.47
5001 - 10000	758	0.10	5,424,505	0.87
10001 - 100000	1,279	0.17	43,415,272	6.99
100001 - 500000	314	0.04	66,103,590	10.64
500001 - 1000000	53	0.01	37,209,872	5.99
1000001 and above	42	0.01	438,750,571	70.60
TOTAL	741,138	100	621,428,652	100

Credit rating

During FY2025, the Company retained its credit ratings owing to high capital adequacy, strong promoter support, tightened credit acceptance criteria and robust asset liability management. It reaffirms the high reputation and trust the Company has earned for its sound financial management and its ability to meet all its financial obligations. The credit rating as at 31 March 2025 is given below:

Rating Agency	Type of Instrument	Programme Size (₹ in crore)	Credit Rating
Domestic Ratings			
CRISIL Rating Limited	Long term Borrowing (NCD) Programme	101,722	CRISIL AAA/Stable
	Lower tier II bond/subordinate debt programme	2,033	CRISIL AAA/Stable
	Long Term Bank loan rating programme	26,000	CRISIL AAA/Stable
	Short Term Bank loan rating facilities		CRISIL A1+
	Short-term debt programme	30,000	CRISIL A1+
	Fixed deposit programme	-	CRISIL AAA/Stable
ICRA Limited	Long-term borrowing (NCD) programme	25,095	ICRA AAA/Stable
	Lower tier II bond/subordinate debt programme	290	ICRA AAA/Stable
	Short-term debt programme	30,000	ICRA A1+
	Fixed deposit programme	-	ICRA AAA Stable
India Ratings and Research Private Limited	Long-term borrowing (NCD) programme	68,097	IND AAA/Stable
	Subordinate debt programme	2,000	IND AAA/Stable
	Long term bank loan facilities	60,000	IND AAA/Stable
	Short term Bank loan facilities		IND A1+
CARE Ratings Limited	Long-term borrowing (NCD) programme	272	CARE AAA/Stable
	Short Term Facilities	1,700	CARE A1+
	Long Term Facilities	8,300	CARE AAA/Stable
	Subordinate debt programme	3,455	CARE AAA/Stable
International Ratings			
Moody's Ratings	Long-Term Rating	-	Baa3
	Short-Term Rating	-	P-3
S&P Global Ratings	Long-Term Rating	-	BBB-
	Short-Term Rating	-	A-3

During FY2025, S&P ratings have revised the long-term outlook for the Company from 'Stable' to 'Positive' and revised upward the Company's standalone credit profile (SACP) from BBB- to BBB. Additionally, Moody's rating for the first time has assigned Baa3 as long term and P-3 as short term foreign and local currency issuer ratings to the Company.

Shareholders' and Investors' Grievances

The Board of Directors of the Company have constituted a Stakeholders' Relationship Committee ('SRC') to specifically look into and resolve grievances of security holders. The Composition of SRC and details on investor complaints received during the year are given in [Corporate Governance Report](#).

Given the overlapping functions between the Duplicate Share Certificate Issuance Committee ('DSCIC') and SRC, the responsibilities previously assigned to the DSCIC have been reallocated to SRC. Accordingly, SRC will authorise issuance of Letter of Confirmation ('LoC') to shareholders in lieu of duplicate share certificates as and when requested.

SEBI has also released a FAQ in respect of various service request including the payment of dividend. The copy of said FAQs is hosted on Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-sebi-circulars>.

Framework for dealing with unclaimed amounts in respect of listed non-convertible securities and manner of claiming such amounts by investors:

In compliance with the SEBI circular dated 8 November 2023, the Company has formulated a policy for claiming unclaimed amounts with respect to non-convertible debentures from escrow account. As on 31 March 2025, there are no unclaimed amounts lying with the Company in respect of its listed non-convertible debentures. The said policy can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes>.

Choice of nomination' in eligible demat accounts: SEBI has issued various circulars from time to time for investors holding securities in demat mode to update their nomination details i.e., either opt in or opt out of nomination.

Online Dispute Resolution (ODR) Mechanism: In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated 31 July 2023, as amended from time to time, read with Master Circular no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated 28 December 2023, introduced a common Online Dispute Resolution ("ODR") mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

Under ODR mechanism, an investor shall first take up his/her/their grievance by lodging a complaint directly with the concerned Market Participant viz., Company. If the grievance is not redressed satisfactorily at the first phase, the investor may escalate the same through the SCORES Portal in accordance with the process laid out therein. ODR Mechanism provides a third level of escalation, if the investor is not satisfied with the resolution provided by the Company, the investor may initiate the dispute through the ODR portal within the timeframe prescribed under the circular. The ODR portal can be accessed at <https://smartodr.in/login>.

Demat Suspense Account for unclaimed shares

In terms of the provisions of the SEBI Listing Regulations, the Company has a demat account titled 'Bajaj Finance Limited – Unclaimed Suspense Account' with HDFC Bank Limited, Pune, to which unclaimed shares were transferred.

Status of Unclaimed Suspense Account as on 31 March 2025 is given below:

Sr. No.	Particulars	No. of holders	No. of shares
1.	At the beginning of the year	38	40,580
2.	Transferred to IEPF	-	-
3.	Claims received during the year	-	-
4.	Claims approved during the year	-	-
5.	At the end of the year (5=1-2-4)	38	40,580

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in regulation 39(4) of the SEBI Listing Regulations.

The shares lying in the aforesaid account will be transferred to the concerned members on lodging of the claim and after proper verification. Till such time, the voting rights on these shares will remain frozen.

Certificate(s) obtained from Practicing Company Secretary

The Company has obtained following certificate(s) by the Practicing Company Secretary for share related matters, as per details given below:

Regulation	Frequency	Certification requirement
Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018	Quarterly	Reconciliation of the total issued capital, listed capital and capital held by Depositories in dematerialised form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital.

Live webcast of AGM

Pursuant to regulation 44(6) of the SEBI Listing Regulations, top 100 listed entities shall, with effect from 1 April 2019, provide one-way live webcast of the proceedings of their AGM. Accordingly, the Company has entered into an arrangement with KFin to facilitate live webcast of the proceedings of the ensuing AGM scheduled on 24 July 2025.

Members who are entitled to participate at the AGM can view the proceedings by logging on the website of KFin at <https://emeetings.kfintech.com/> using secure login credentials provided for e-voting.

Outstanding convertible instruments/ADRs/GDRs/Warrants

The Company does not have any outstanding ADRs/GDRs as on date.

The Company had allotted 1,550,000 convertible warrants by way of preferential offer in FY2024 to Bajaj Finserv Limited, promoter and the holding company, amounting to approximately ₹ 1,200 crore.

In accordance with the terms of issue, 25% of issue price amounting to ₹ 297.21 crore was received on application during FY2024.

During the year under review, Bajaj Finserv Limited, opted for the conversion of warrants and remitted the remaining 75% of the issue amount i.e., ₹ 891.64 crore. Pursuant to the same, the Company has allotted 15,50,000 equity shares on account of conversion of said warrants into equity shares of the Company.

Commodity price/foreign exchange risk and hedging activities

The Company borrows in Foreign Currency for its External Commercial Borrowing ('ECB') Programme. These borrowings are governed by RBI guidelines which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of its ECB exposure (principal and coupon).

The Company hedges its entire ECB loan exposure for the full tenure of the ECB as per Board approved Interest Rate Risk and Currency Risk Hedging Policy.

For its ECB loans, the Company evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs; and manages its currency and interest rate risks by onboarding derivative contracts such as Cross Currency Swaps & Forward Rate Agreements as hedge positions in line with the Board approved policy.

Being a financial services company, the Company is not directly exposed to commodity price risk.

Plant location

Bajaj Finance Limited does not have any manufacturing plant.

Address for correspondence

Sr. No.	Particulars	Name and Address	Purpose	Contact details
1.	Company	Bajaj Finance Limited, Corporate Office Extn. Secretarial Department 3rd Floor, Panchshil Tech Park, Viman Nagar, Pune – 411 014	General Correspondence	Tel No.: (020) 7157 6072/6403 Fax No. (020) 7157 6364 Email ID: investor.service@bajajfinserv.in Website: https://www.aboutbajajfinserv.com/finance-about-us
2.	Registrar and Share Transfer Agent	KFin Technologies Limited Unit: Bajaj Finance Limited Selenium Building, Tower-B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana – 500 032	Equity/NCDs/CPs related matters TDS related queries or documents	Toll free no.: 1800 309 4001 Email ID: einward.ris@kfintech.com KFin Corporate Website: https://www.kfintech.com KFin RTA Website: https://ris.kfintech.com
3.	Debenture Trustee	Catalyst Trusteeship Limited GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune – 411 038	Debenture related matters	Tel No.: (022) 4922 0555 Email ID: ComplianceCTL-Mumbai@ctitrustee.com Website: https://catalysttrustee.com/

Investor Support Centre

In view of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7 May 2024, KFin has launched an online platform for shareholders. The same can be accessed at <https://ris.kfintech.com/default.aspx#>, select Investor Services then go to Investor Support for raising any service requests with KFin.

Members are requested to register/sign up, using the Name, PAN, Mobile Number and email ID. Post registration, user can login via OTP and lodge service request, ask questions/queries, raise complaints, check for the status of the folios, KYC details, dividend, meeting and e-voting details.

Quick link to access the signup page is <https://kprism.kfintech.com/signup>.

DIRECTORS' REPORT

Dear Shareholders,

Your directors present the thirty-eight Annual Report along with the audited standalone and consolidated financial statements for Financial Year 2024-25 (or FY2025).

Sad demise of Madhur Bajaj

At the outset, your directors express their profound grief on the sad demise of Madhur Bajaj, who passed away on 11 April 2025. He served on the Board of the Company as a non-executive director from 15 May 1990 till 31 July 2022.

He was associated with the Bajaj Group for more than three (3) decades and served as a Board Member on the following listed group companies:

- Bajaj Finserv Limited;
- Bajaj Auto Limited;
- Bajaj Holdings & Investment Limited;
- Maharashtra Scooters Limited; and
- Bajaj Electricals Limited

The Board of Directors ('Board') placed on record its sincere appreciation for Madhur Bajaj's valuable service and contribution during his long association with the Company.

Company overview

"From Legacy to Leadership: Bajaj Finance's Evolution into a Financial Services Leader"

Bajaj Finance Limited, ('Company' or 'BFL') is part of the Bajaj group, which was founded in 1926 and is one of the oldest and most trusted retail business houses of India. The Company is one of the leading financial services names in the non-banking financial companies ('NBFCs') industry.

BFL is a public limited company incorporated on 25 March 1987 under the Companies Act, 1956 and has its registered office at C/o Bajaj Auto Ltd., Akurdi, Pune 411 035, Maharashtra, India. The Company changed its name from Bajaj Auto Finance Limited to Bajaj Finance Limited in the year 2010. It is registered as a Deposit taking Non-Banking Finance Company vide the Reserve Bank of India ('RBI').

The Company launched its initial public offering of equity shares and was listed on the BSE Limited in the year 1994. Subsequently, listed on National Stock Exchange of India in the year 2003. It is also a registered as a corporate agent with the Insurance Regulatory and Development Authority of India ('IRDAI'). The Company stood at 13th rank based on average market capitalisation from 1 July 2024 to 31 December 2024.

The Company aims to be the most sustainable and profitable companies in India and a pre-eminent choice for its large customer franchise for all their financial service's needs by accelerating business transformation and leveraging digital and Artificial Intelligence ('AI') enabled technology architecture integrating AI across all its processes to significantly improve customer engagement, grow revenue, reduce opex, reduce credit costs, enhance productivity and strengthen controllership that integrates AI across all its processes to deliver significant operating leverage and create a virtuous growth cycle.

RBI has categorised Bajaj Finance Limited as an NBFC in the Upper Layer for the third consecutive time for the year 2024-25 vide its press release dated 16 January 2025. The Company is in compliance with RBI Scale Based Regulations.

Under the Inter-Regulatory Forum (IRF) mechanism for monitoring Financial Conglomerates (FC), the RBI has been designated as the Principal Regulator for the Bajaj Group, replacing the IRDAI. Correspondingly, the Designated Entity (DE) for the Group has been changed from Bajaj Allianz Life Insurance Company Limited to Bajaj Finance Limited.

Financial Results

The highlights of the standalone financial results are given below:

Particulars	(₹ in crore)		
	FY2025	FY2024	% change over FY2024
Interest income	51,549	40,783	26
Interest and finance charge	18,437	13,843	33
Net interest income	33,112	26,940	23
Fees, commission, and other income	7,871	6,163	28
Net Total Income	40,983	33,103	24
Total operating expenses	13,968	11,478	22
Pre-impairment operating profit	27,015	21,625	25
Impairment on financial instruments	7,883	4,572	72
Profit before tax	21,676	17,053	27
Profit after tax	16,662	12,644	32
Retained earnings as at the beginning of the year	33,359	25,060	33
Profit after tax	16,662	12,644	32
Retained earnings before appropriations	50,021	37,704	33
Appropriations			
Transfer to reserve fund u/s 45-IC (1) of the RBI Act, 1934	3,335	2,530	32
Dividend paid	2,227	1,815	23
Retained earnings as at the end of the year	44,459	33,359	33

Due to rounding off, numbers presented in above table may not add up precisely to the totals provided.

Transfer to Reserve Fund

Under Section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 3,335 crore to its reserve fund.

Pursuant to provisions of Companies Act, 2013 (the 'Act') read with relevant rules thereunder, the Company, being a NBFC, is exempt from creating debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfil its obligations arising out of debentures. In case of secured debentures, an asset cover of at least 100% is maintained at all times.

Dividend

RBI vide Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, has prescribed the framework for declaration of dividend by NBFCs. Accordingly, the Board, after taking into account various aspects and in compliance with the said regulation, at its meeting held on 29 April 2025 has declared/recommended the dividend as mentioned below:

Special (Interim) Dividend

The Board of Directors, at its meeting held on 29 April 2025, declared an interim dividend of ₹ 12 per equity share (600%) of face value of ₹ 2 for the year ended 31 March 2025. The distribution of Special (Interim) Dividend is on account of exceptional gain resulting from the sale of investment in Bajaj Housing Finance Limited ('BHFL') as part of IPO listing in September 2024. The record date fixed for the purpose of declaration of dividend was 9 May 2025. The total dividend pay-out on account of interim dividend was ₹ 745.71 crore.

Final Dividend

Recommend for consideration of the members at the ensuing Annual General Meeting ('AGM'), payment of final dividend of ₹ 44 per equity share (2200%) of face value of ₹ 2 for the financial year ended 31 March 2025. The record date fixed for the purpose of declaration of dividend was 30 May 2025. The total dividend pay-out on account of final dividend is ₹ 2,734.29 crore.

The total dividend for FY2025 is ₹ 3,480 crore.

The special interim dividend and final dividend recommended are in accordance with the principles and criteria set out in the Company's dividend distribution policy. Total dividend proposed for the year does not exceed the ceilings specified in said RBI Regulations.

The said dividends will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer Notice of AGM.

Pursuant to the provisions of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the Company had formulated a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. The said policy is annexed to this Report and is also available on the website of the Company at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-distribution-policy-20-march-2025pdf?scl=1&fmt=pdf>

Working Results of the Company

On a consolidated basis, BFL recorded AUM growth of 26% and growth in profit after tax of 16% in FY2025 as against AUM and profit after tax growth of 34% and 26%, respectively, in FY2024. With its strong AUM and profit growth in FY2025, BFL has further increased its share in the financial services sector in India. Return on average assets ('ROAA') and return on average equity ('ROAE') for FY2025 was 4.57% and 19.19% respectively on a consolidated basis.

The Company's business model continues to generate healthy pre-impairment operating profits enabling it to withstand higher credit losses in times of stress such as these. It remains well capitalised with a capital-to-risk weighted asset ratio ('CRAR') of 21.93% as on 31 March 2025 – making it among the best capitalised large NBFCs in India.

As a result of its deeply embedded risk culture and robust risk management practices, the Company's portfolio quality as of 31 March 2025 continues to remain strong. BFL's consolidated Gross NPA at 0.96% and Net NPA at 0.44% are among the lowest in the industry.

Using its robust risk management and portfolio monitoring framework, BFL took enhanced credit costs based on emerging trends across its different portfolios. It holds a management overlay provision on account of volatile macroeconomic factors of ₹ 67 crore on consolidated basis as on 31 March 2025.

The consolidated performance highlights for FY2025 are given below:

- Number of new loans booked: 43.42 million
- AUM grew by 26% to ₹ 416,661 crore
- Net interest income ('NII') rose by 23% to ₹ 36,393 crore
- Net total income ('NTI') rose by 24% to ₹ 44,954 crore
- Total operating expenses ('Opex') grew by 21% to ₹ 14,926 crore
- Opex to NTI stood at 33%
- Pre-impairment operating profit rose by 25% to ₹ 30,028 crore
- Impairment on financial instruments was ₹ 7,966 crore
- Profit before tax ('PBT') increased by 14% to ₹ 22,080 crore
- Profit after tax ('PAT') increased by 16% to ₹ 16,779 crore
- Capital adequacy ratio as of 31 March 2025 was 21.93%, which is well above the RBI norms. Tier I adequacy ratio was 21.09%.

For more details on the performance of the Company and business segments refer [Management Discussion and Analysis](#).

Subsidiaries, Associates and Joint Venture

The Company has the following subsidiaries and associate companies as on 31 March 2025:

Sr no.	Name of entity	% of equity Stake	Relationship	Business activity
1.	Bajaj Housing Finance Limited	88.75	Subsidiary	Housing finance
2.	Bajaj Financial Securities Limited	100	Subsidiary	Stock broking and depository participant
3.	Snapwork Technologies Private Limited	41.5*	Associate	Software development for financial services
4.	Pennant Technologies Private Limited	26.53*	Associate	Software development for financial services

*On diluted basis

A. Subsidiaries:

- (i) Bajaj Housing Finance Limited ('BHFL') is registered as an non-deposit taking National Housing Bank ('NHB') as a Housing Finance Company ('HFC') engaged in the business of mortgage lending since Fiscal 2018.

The Company offers financial solutions tailored to individuals and corporate entities for the purchase and renovation of homes and commercial spaces. The Company's mortgage product suite is comprehensive and comprises (i) home loans; (ii) loans against property; (iii) lease rental discounting; and (iv) developer financing. Furthermore, BHFL primary emphasis is on individual retail housing loans, complemented by a diversified collection of lease rental discounting and developer loans. Consequently, the financial products of the BHFL cater's to every customer segment, from individual homebuyers to large-scale developers. It is also a registered intermediary with IRDAI as a corporate agent.

RBI vide its press release dated 30 September 2022 has classified BHFL as an upper layer NBFC ('NBFC-UL') under the RBI Scale Based Regulations.

Pursuant to the RBI Scale Based Regulation, all upper layer NBFCs and HFCs are required to be listed within three years of identification as NBFC-UL. Accordingly, BHFL came out with its maiden public offer ('IPO') of its equity shares in National Stock Exchange of India Limited and BSE Limited. The IPO was combination of fresh issue of capital and offer for sale by your Company.

BHFL successfully concluded its IPO of ₹ 6,560 crore comprising fresh issue of ₹ 3,560 crore and an offer for sale of ₹ 3,000 crore in September 2024. The equity shares of the Company were listed on the BSE Limited and National Stock Exchange of India Limited on 16 September 2024.

Consequent to the same, BHFL, ceased to be your Company's wholly-owned subsidiary. The Company now holds 88.75% capital in BHFL.

Performance highlights of FY2025:

- AUM as at 31 March 2025 was ₹ 114,684 crore as compared to ₹ 91,370 crore as at 31 March 2024, representing a growth of 26%
- NII rose by 20% to ₹ 3,007 crore
- NTI rose by 23% to ₹ 3,597 crore
- Total operating expenses ('Opex') grew by 6% to ₹ 747 crore
- Opex NTI stood at 21%
- Pre-impairment operating profit rose by 28% to ₹ 2,850 crore
- Impairment on financial instruments was ₹ 80 crore
- Gross NPA and Net NPA were at 0.29% and 0.11%, respectively, amongst the lowest across all HFCs
- PBT increased by 28% to ₹ 2,770 crore
- PAT grew by 25% to ₹ 2,163 crore
- As on 31 March 2025, capital adequacy ratio was 28%, which is well above the prescribed norms of 15%

As on date of this report, the total investment in BHFL is approximately ₹ 9,121 crore.

- (ii) Bajaj Financial Securities Limited ('BFSL', 'BFinsec') is registered with SEBI, both as a stockbroker and as a depository participant.

BFSL provides a comprehensive suite of services to retail and HNI clients, encompassing DP services, Broking, Margin Trading Facility, and Financing for Offer for Sale.

Performance highlights of FY2025:

- Customer franchise as of 31 March 2025 was over 979,000
- Margin trade funding book stood at ₹ 4,505 crore as of 31 March 2025
- NII for FY25 was ₹ 249 crore
- NTI for FY25 was ₹ 441 crore
- PAT for FY25 was ₹ 139 crore

In order to support BFinsec to augment its business growth, facilitate working capital requirements, and building a proprietary trading book, the Company infused capital to the tune of ₹ 200 crore.

As on date of this report, the total investment in BFinsec is approximately ₹ 1,070 crore.

During FY2025, no new subsidiary or associate company was incorporated/acquired. The Company has not entered into a joint venture with any other company.

The financial statements of the subsidiary companies are also available in a downloadable format under the 'Investor Relations' section on the Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>

The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, as amended, can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsiidiary-v5pdf?scl=1&fmt=pdf>

In terms of the said policy and provisions of regulation 16 of the SEBI Listing Regulations, as amended, BHFL is a material subsidiary of the Company.

For more detailed discussion on the performance of the subsidiaries and their various segments, refer [Management Discussion and Analysis](#).

B. Associates

Snapwork Technologies Private Limited ('Snapwork')

Snapwork specializes in delivering innovative digital solutions with a focus on digital transformation, cloud services, design led platform engineering, agile development and devops, UI/UX design, and mobile app development. Snapwork has expertise in developing and delivering highly scalable mobile applications. Its solutions combine user-centered research, user interface design, process engineering, and interface/mobile development with client's business objectives. Snapwork also conducts research and development activities. Snapwork has significant experience working with banking, financial services and insurance clients in providing development and technical manpower services.

Incorporated in 2008, Snapwork has some of the leading financial services companies in India as its clients.

Snapwork works closely with your Company to solve key technical priorities on scalability, experience and performance. Snapwork has developed the Bajaj Finserv App.

Details of investment made in Snapwork also forms part of the financial statements.

During FY2025, Snapwork made a profit of ₹ 13.53 crore, of which Company's share of profit was ₹ 5.62 crore.

Pennant Technologies Private Limited ('Pennant')

Pennant is a financial technology company. It provides end to end lending solutions with products like Loan Origination System, Loan Management System, Collections, CRM, and key digital enablers. At the core of Pennant's offerings is the pennApps Lending Factory (PLF)—a comprehensive, highly configurable, and scalable lending platform that streamlines the entire loan lifecycle.

Incorporated in 2005, Pennant has successfully executed over 250 projects in the banking and financial services sector. Pennant has 40+ clients including top tier Banks, NBFCs and housing finance companies as its clients.

Pennant has become key Loan Management System provider to BFL with majority of the product portfolio on Pennant LMS. During the FY2025, your Company has successfully transitioned its B2B portfolio from an older platform to Pennant LMS.

During FY2025, Pennant's made a profit of ₹ 45.93 crore, of which Company's share of profit was ₹ 12.19 crore.

Details of investment made in Pennant also forms part of the financial statements.

A separate statement containing the salient features of the subsidiaries and associate in the prescribed form AOC-1 is attached to the consolidated financial statements.

Other strategic investments

Bajaj Finserv Direct Limited ('BFSD' or 'BFS-Direct') has 2 synergistic divisions viz., Bajaj Markets, and Bajaj Technology Services. Bajaj Market is a financial services marketplace that offers multiple financial services products across categories including - Loans, Credit Cards, Insurances and Investments. It has over 90 onboarded partners with over 23 crore annual visitors on its digital properties. Bajaj Technology Services works in digital and enterprise space offering niche technologies like Adobe, Salesforce, Multi-cloud, Gen AI and Data engineering & analytics to BFSI companies across India and Middle East.

BFS-Direct is registered with IRDAI as a composite Corporate Agent for distribution of insurance (life and general) products in India. BFSD is also registered with SEBI through its Investment Advisory Department as an Investment Advisor. It offers various financial products and services to its customers, through its partners listed on its digital platform.

During FY2022, the Company made investments in the form of equity shares amounting to ₹ 2.69 crore and convertible loan amounting to ₹ 280.47 crore, aggregating to ₹ 283.16 crore. During the year under review, the Company, based on the recommendation of Strategic Investment Committee ('SIC') and approval of Board, converted all of its loan granted to BFSD into equity shares.

As on 31 March 2025, Bajaj Finserv Limited ('Bajaj Finserv' or 'BFS'), holds 80.10% of the share capital of BFSD and the remaining 19.90% is held by your Company.

Customer Engagement

Customer engagement and experience are core pillars of our organization, and we are dedicated to upholding customer fairness in both letter and spirit across all our actions. Proactive engagement empowers institutions to gain meaningful insights, manage risks effectively, ensure compliance, and seamlessly adopt new technologies. In today's dynamic environment, prioritizing customer experience is vital for staying competitive, fostering strong relationships, and driving sustainable success.

To strengthen the customer engagement and monitoring process, the Board has constituted a Customer Service Committee ('CSC') headed by an independent director.

The Committee was reconstituted during the year under review, Rajeev Jain and Dr. Naushad Forbes stepped down as members of the Committee. Further, Anup Saha and Tarun Bajaj have been inducted as members of the Committee.

The composition as on 31 March 2025 is as follows:

Sr. No.	Name of director	Category
1.	Pramit Jhaveri	Chairman, non-executive, independent
2.	Tarun Bajaj	Non-executive, independent
3.	Sanjiv Bajaj	Non-executive, non-independent
4.	Anup Saha	Executive, non-independent

The Customer Service Committee of the Board plays a key role in elevating the customer experience by guiding and overseeing strategies and initiatives focused on enhancing the quality of customer service. With members bringing diverse expertise, the Committee works closely with Management to identify improvement areas, evaluate customer feedback, and implement policies that address concerns in a timely manner. By prioritizing customer-centric practices and fostering a culture of responsiveness and empathy, the Committee ensures

the organisation continuously evolves to meet the dynamic business needs and expectations of its customers, ultimately fostering loyalty and trust.

During FY2025, the Committee met 6 (six) times.

In addition, the Company has in place a Standing Committee of Management for Customer Service.

The CSC is regularly informed of the discussions, actions, and recommendations made by the Standing Committee. Any suggestions, feedback, and guidance from the CSC are considered by the Standing Committee for appropriate follow-up actions. The internal ombudsman are permanent invitees to the CSC meetings.

Several initiatives, guided by these Committees, are implemented to reinforce BFL's commitment to its customers. To list a few:

- Reviewing key baseline metrics which are key to customer service and experience;
- Branch Customer meeting scope enhanced with inclusion of MFI branches along with existing urban, rural, gold loan and FD branches;
- In compliance with FPC guidelines, BFL made all service documents, including SOA, Foreclosure Letters, NOCs, and NDCs, available in 20 vernacular languages;
- Customer education and awareness programmes – 7 offline programmes conducted on financial education, fraud awareness and grievance redressal mechanism with participation of 1000+ customers/citizens; and
- Monitoring customer satisfaction (CSAT) scores across all channels for multiple service interactions enables the Company to review the effectiveness of its customer engagement initiatives. As of 31 March 2025, BFL has received over 16.50 million responses and achieved a CSAT score of 97%.

Initiatives of the Company towards customer engagement are detailed in the [Management Discussion and Analysis](#).

Risk Management Framework

The Board of Directors has adopted a risk management policy for the Company which provides for identification of key events/risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

This framework, *inter alia*, provides a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organisation. It covers principles of risk management, risk governance with roles and responsibilities, business control measures, principle risks and business continuity plan. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

To oversee the implementation of Risk Management Framework, the Board had constituted a Risk Management Committee comprising of independent and non-independent board members. It is chaired by an Independent Director. The Committee meets at least (4) four times a year and additionally on such occasions as it deems necessary. The Committee oversees various *inter alia*, credit risk, operations risk, technology risk and regulatory risk. During the year under review, the terms of reference of the Committee was expanded to bring within its ambit, the review of all product programmes, novel features/process associated therewith and inherent risk in the products.

The Committee was reconstituted during the year to comprise of only Board Members. Anami N Roy stepped down as member of the Committee. Further, Ajay Kumar Choudhary and Anup Saha were inducted as the members of the Committee.

The composition as on 31 March 2025 is as follows:

Sr. No.	Name of director	Category
1.	Pramit Jhaveri	Chairman, non-executive, independent
2.	Ajay Kumar Choudhary	Non-executive, independent
3.	Sanjiv Bajaj	Non-executive, non-independent
4.	Rajeev Jain	Executive, non-independent
5.	Anup Saha	Executive, non-independent

Further details on RMC are furnished in the Report on Corporate Governance.

More detailed discussion on the Company's risk management and portfolio quality is covered in the [Management Discussion and Analysis](#).

Fraud monitoring and reporting

RBI *vide* Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) dated 15 July 2024, has amended the fraud monitoring framework for NBFCs. In terms of the same, the Company has constituted a special committee of the Board titled "Special Committee for Monitoring and follow up of cases of fraud" (hereinafter referred as 'FMC'). The Committee comprises of 2 independent directors and 2 non-independent directors and chaired by an independent director with requisite expertise. The composition is as follows:

Sr. No.	Name of director	Category
1.	Anami N Roy	Chairman, non-executive, independent
2.	Tarun Bajaj	Non-executive, independent
3.	Rajeev Jain	Executive, non-independent
4.	Anup Saha	Executive, non-independent

The Committee, *inter alia*, will oversee the effectiveness of the fraud risk management and review and monitor cases of frauds, including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.

During the year under review, instances of frauds were reported to the FMC and Audit Committee of the Board. The amount involved in above said cases was approximately ₹ 43.40 crore in aggregate. These cases, *inter alia*, included forgery, identity theft and misappropriation of funds.

Out of the above, an aggregate amount of approximately ₹ 3.54 crore was found to have involvement of employee(s). Following the detection, the services of concerned employee(s) were terminated. As a preventive measure, the Company has also undertaken steps to educate other employees through targeted communication and internal awareness initiatives to strengthen vigilance and mitigate the risk of similar incidents in the future.

Approximately ₹ 13.80 crore has been recovered till date. None of the above reported frauds had involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Further, the same was also reported to RBI and Statutory Auditors. The Statutory Auditors, in turn, have also brought these cases to the attention of the Audit Committee pursuant to circular issued by National Financial Reporting Authority ('NFRA') dated 26 June 2023.

The Company has a specialist unit - Risk Containment Unit ('RCU') to handle anti-fraud prevention, detection, and investigation for the Company. This unit is responsible to investigate frauds perpetrated by customers, sourcing channels and internal employees either alone or in connivance with each other and take deterrence actions. This unit also implements anti-fraud checks before disbursement of loan through inbuilt advanced fraud controls analytics in its loan origination system and these checks are periodically updated based on root cause analyses & learnings.

Internal Capital Adequacy Assessment Policy ('ICAAP')

Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 issued by RBI on 19 October 2023 ('RBI Scale Based Regulations'), NBFCs are required to have an ICAAP in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business and also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, the Company has framed an ICAAP policy. This policy is developed considering the requirements of the SBR and is based on the Pillar-2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision ('BCBS').

The objective of the policy is to provide an ongoing assessment of the Company's entire spectrum of risks and the methodology to assess current and future capital, reckoning other mitigating factors and also to assist and apprise the Board on these aspects and on Company's internal capital adequacy assessment process and Company's approach to capital management.

Information Technology Governance and Cyber Security

The RBI has issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices effective 1 April 2024. In line with said Directions, the terms of reference of the IT Strategy Committee were revised during the year. The same, *inter alia*, includes the following:

- Review at least on an annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management;
- Review the assessment of IT capacity requirements and measures taken to address the issues; and
- Approve documented standards and procedures for access to information assets.

Detailed terms of reference can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-it-committeepdf?scl=1&fmt=pdf>

In terms of the aforementioned Directions, the Committee meets on a quarterly basis. Information Security Committee and IT Steering Committee are also formed in line with aforementioned Directions. These committees also meet on quarterly basis.

The IT Strategy Committee met four (4) times during the year under review.

The Committee was reconstituted during the year to comprise of only Board Members. Sanjiv Bajaj stepped down as member of the Committee. Further, Ajay Kumar Choudhary and Anup Saha were inducted as the members of the Committee.

The Composition of the Committee as on 31 March 2025:

Sr. No.	Name	Category
1.	Dr. Naushad Forbes	Chairman, non-executive, independent
2.	Ajay Kumar Choudhary	Non-executive, independent
3.	Rajeev Jain	Executive, non-independent
4.	Anup Saha	Executive, non-independent

Pursuant to the said Directions, the Company has a Chief Information Security Officer ('CISO'). CISO is responsible for driving cyber security strategy and ensuring compliance to the extant regulatory/statutory instructions on information/cyber security and other responsibilities as stipulated in the directions.

In accordance with IT Governance framework, the Company has put in place policies which, *inter alia*, includes Business Continuity Policy, Information Security Policy, Information Technology Policy, Cyber Security Policy, IT Outsourcing Policy, Cyber Crisis Management Plan and Information Security Incident Management Policy.

During the year under review, a cyber security awareness programme was conducted for the Board members. It, *inter alia*, covered, industrialisation of cyber-crime operations, new developments and issues relating to cyber and information security, understanding of cyber security trends including recent cyber frauds and attacks, Board's responsibility in the events of change management and cyber security, etc. Further, on an annual basis, the Senior Management and employees of the Company have undergone IT security trainings.

The Company continues to enhance cyber security and information security aspects while transforming to a customer-centric digital enterprise. It has the capability to offer remote access for identified IT vendors/partners to enable full resources for user support, data center support, application maintenance and testing. All IT systems are compliant to ISO 27001 Information Security Management System and ISO 22301 Business Continuity Standard. The Company also has a dedicated cyber security and information security team to ensure technical expertise and regulatory as well as internal compliance for Information Technology. There is an active engagement with stakeholders, including our senior management team, in scenario-based cyber drills to evaluate our readiness to respond to potential cyber threats. Furthermore, security operations are being overhauled to strengthen our detection and response capabilities, while also advancing our proactive threat-hunting measures. Key endeavours include establishing Database Activity Monitoring, Network Behaviour Anomaly Detection and application whitelisting to enhance cyber posture. The implementation of the Zero Trust framework, grounded in the "Trust & Always Verify" doctrine, represents a strategic, long-term initiative aimed at bolstering security and compliance within the BFL IT ecosystem. This framework enhances control across devices, applications, data, networks, and identities, ensuring comprehensive protection.

The Company has implemented an IT Outsourcing Policy approved by the Board of Directors in line with regulatory requirements. The Outsourcing Compliance Committee is chaired by COO and conducted on quarterly basis. The Committee is responsible for:

- Evaluation of the risks and materiality of outsourced activities;
- Ensuring that periodic review of outsourcing arrangements is conducted by the Company; and
- Putting in place a central database on outsourcing.

Periodic risk-based information security assessment is conducted for vendors who are covered under "IT Outsourcing" as per regulatory guidelines. To enhance vendor governance, we have implemented a vendor assessment controls framework. Furthermore, to mitigate supply chain risks, we are improving secure coding guidelines for developers. Additionally, compliance teams have been established within each business unit to ensure alignment with regulatory requirements.

Directors and Key Managerial Personnel ('KMP')

A. Change in Directors during the financial year:

Appointments:

i. Tarun Bajaj (DIN: 02026219)

On the recommendation of the NRC, the Board at its meeting held on 25 April 2024 proposed the appointment of Tarun Bajaj as an independent director of the Company for a period of 5 years effective from 1 August 2024. The same was approved by the members vide special resolution passed at the Annual General Meeting held on 23 July 2024.

The Board is of the opinion that Tarun Bajaj is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an independent director strengthening overall composition of the Board.

Tarun Bajaj has successfully passed the online proficiency self-assessment test as required under the provisions of rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

He is a member of Audit Committee, Customer Service Committee and Special Committee for Monitoring and Follow up of cases of fraud.

ii. Ajay Kumar Choudhary (DIN: 09498080)

On recommendation of NRC, the Board has appointed Ajay Kumar Choudhary as an independent director of the Company for a period of five consecutive years effective from 1 February 2025. The same has been approved by members vide their special resolution passed through postal ballot on 22 March 2025.

The Board is of the opinion that Ajay Kumar Choudhary is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an independent director that can strengthen the overall composition of the Board.

Ajay Kumar Choudhary has successfully passed the online proficiency self-assessment test as required under the provisions of rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

Further, the Board at its meeting held on 20 March 2025, has appointed him as a Member of Risk Management Committee and IT Strategy Committee.

iii. Rajeev Jain (DIN: 01550158)

The Board at their meeting held on 20 March 2025, approved the elevation of Rajeev Jain as Vice Chairman in a capacity as executive director for period of three years from 1 April 2025 till 31 March 2028.

iv. Anup Saha (DIN: 07640220)

Anup Saha, executive director, was re-designated as Deputy Managing Director with effect from 1 April 2024 till 31 March 2028. The re-designation has been approved by the members vide resolution passed through postal ballot on 19 March 2024.

Further, the Board, based on the recommendation of Nomination and Remuneration Committee ('NRC'), elevated him as a Managing Director of the Company effective 1 April 2025 for the remainder of his current term i.e. upto 31 March 2028.

Approval of shareholders is being sought for the appointment of Rajeev Jain and re-designation of Anup Saha by way of postal ballot.

B. Directors liable to retire by rotation:

Anup Saha (DIN: 07640220) retires by rotation at the ensuing AGM, being eligible, offers himself for re-appointment.

Brief details of Anup Saha, who is seeking re-appointment, are given in the Notice of 38th AGM.

C. Continuation of non-retiring director:

Sanjiv Bajaj is a non-executive non-retiring director. In accordance with regulation 17(1D) shareholders at their last AGM held on 23 July 2024, have approved the continuation of Sanjiv Bajaj as non-executive non-retiring director for a further period of five years with effect from 1 April 2024.

D. KMPs:

There are no changes in the KMPs during FY2025.

Declaration by independent directors

All the independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under Section 149(6) of the Act read with regulation 16 of the SEBI Listing Regulations, as amended. They also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

In the opinion of the Board, the independent directors fulfil the conditions specified in the Act read with rules made thereunder and have complied with the code for independent directors prescribed in Schedule IV to the Act.

Remuneration Policies:**1. Policy on Directors' Appointment and Remuneration**

Pursuant to Section 178(3) of the Companies Act, 2013 and regulation 19(4) read with Part D of schedule II of the SEBI Listing Regulations, the Board has framed a Remuneration Policy. This policy, *inter alia*, lays down:

- The criteria for determining qualifications, positive attributes, and independence of directors; and
- Broad guidelines of compensation philosophy and structure for non-executive directors, key managerial personnel and other employees.

In view of detailed RBI Guidelines for NBFCs concerning compensation of KMP and Senior Management ('SMT'), the Company has in place a specific policy to this effect. Accordingly, this remuneration policy has to be read along with the specific policy adopted pursuant to RBI Guidelines as regards compensation of KMP and SMT, which is detailed below.

2. Policy for Compensation of KMP and SMT pursuant to RBI Guidelines

RBI has vide its circular dated 29 April 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to RBI Scale Based Regulations. Accordingly, the Company has adopted a Board approved policy exclusively governing compensation payable to KMP and SMT. During the year under review, in line with best practices followed by banks, the categories of employee covered under the policy has been amended to include the identified material risk takers ('MRT'). This policy lays down detailed framework, *inter alia*, encompassing the following:

- Principles of compensation;
- Compensation components;
- Principles of variable pay;
- Deferral of variable pay;
- Compensation for control and assurance function personnel; and
- Provisions for malus and clawback and circumstances under which application of malus and clawback is to be considered.

The aforesaid policies can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-companies-act-2013-v2pdf?scl=1&fmt=pdf> and <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/annexure-4f-policy-for-compensation-of-kmp-and-senior-managementpdf?scl=1&fmt=pdf>

As per the requirements of the RBI Master Directions and SEBI Listing Regulations, details of all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company are disclosed in the Report on Corporate Governance.

Compliance with Code of Conduct

All Board members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for FY2025.

A declaration to this effect signed by the Managing Director is included in this Annual Report.

Annual Return

A copy of the Annual Return as provided under Section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>

Number of Meetings of the Board

Eight (8) meetings of the Board were held during FY2025. Details of the meetings and attendance thereat forms part of the [Report on Corporate Governance](#).

Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value pursuant to the provisions of the Act and guidelines issued by SEBI/RBI. Accounting policies have been consistently applied except where revision to an existing Accounting Standard requires a change in the accounting policy.

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the Management, the Directors state that:

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for FY2025;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has an Audit Committee. The Committee was reconstituted during the year under review, Dr. Naushad Forbes stepped down as member of the Committee and Tarun Bajaj has been inducted as a member of the Committee.

The composition as on 31 March 2025 is as follows:

Sr. No.	Name of director	Category
1.	Anami N Roy	Chairman, non-executive, independent
2.	Pramit Jhaveri	Non-executive, independent
3.	Dr. Arindam Bhattacharya	Non-executive, independent
4.	Tarun Bajaj	Non-executive, independent

Further details on Audit Committee are furnished in the [Report on Corporate Governance](#).

The composition of Audit Committee is over and above the minimum requirement prescribed under the Act, SEBI Listing Regulations, and the RBI Regulations for NBFCs (the 'NBFC Regulations') of having a minimum of two-thirds of independent directors, including the Chairman. All members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

During FY2025, all recommendations of the Audit Committee were accepted by the Board.

The brief terms of reference and attendance record of members are given in the [Report on Corporate Governance](#).

Particulars of Loans, Guarantees and Investments

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in the ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Act by virtue of notification issued under Companies (Amendment) Act, 2017, w.e.f. 7 May 2018, with respect to loans, guarantees and investments. Accordingly, the Company is exempted from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made, guarantee given, or security provided.

In addition to investment in subsidiaries, associates and group companies which is covered above, details of other major investments are as under:

1. One MobiKwik Systems Limited ('MobiKwik'):

The Company continues to stay invested in MobiKwik. Total investment in MobiKwik as on 31 March 2025 is approximately ₹ 296.89 crore.

The total equity shares held by the Company in MobiKwik is 7,979,440 equity shares representing 10.27% of its capital on a fully diluted basis.

Pursuant to Initial Public Offer ('IPO'), Mobikwik issued 20,501,792 fresh equity shares of face value ₹ 2 each, for cash at a price of ₹ 279 per equity share (comprising a share premium of ₹ 277 per share), aggregating to ₹ 5,720 million. At the time of listing, the Company held 13.41% stake in Mobikwik, which reduced to 10.27% post-listing on account of IPO.

2. RBL Bank Limited:

The Company continues to stay invested in RBL Bank Limited.

3. RMBS Development Company Limited ('RDCL')

RMBS has been established by NHB with the objective of promoting and developing residential mortgage-backed securities in the country. The entity will act as a market intermediary for residential-mortgage-backed-security ('RMBS') by investing in RMBS, facilitating investment/issuance/trade of RMBS, extend credit enhancement (including second loss credit enhancement) for RMBS transactions, provide liquidity support in the secondary market for RMBS transactions, set-up an information repository of RMBS transactions, develop standards and guidelines to ensure standardisation of RMBS transactions, create securitisation documents for RMBS transactions, leverage a platform to enable price discovery for RMBS transactions, where ecosystem participants come together and finalise securitisation of RMBS transactions, provide warehouse financing, and related advisory and structuring services.

The Company has entered into agreement with National Housing Bank ('NHB') and other investors to acquire upto 7% equity stake in RMBS for an aggregate amount not exceeding ₹ 180 crore.

During the year under review, the Company invested ₹ 35 crore into the equity capital of RDCL. This entire amount represents the Company's total investment in the equity of RMBS.

Further, during the year RDCL has received the Certificate of Registration ('CoR') from the Department of Regulation, Reserve Bank of India ('RBI') on 23 January 2025. The Company has been registered as a Middle Layer Non-Deposit Taking Non-Banking Financial Company (NBFC) under the applicable regulatory framework.

Further details of investments are provided in the financial statements.

Employee Stock Options ('ESOP')

The Company offers stock options to select employees of the Company and its subsidiaries to foster a spirit of ownership and an entrepreneurial mindset. Because of their nature, stock options help to build a holistic, long-term view of the business and a sustainability focus in the Senior Management team. Stock options are granted to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour. This has contributed to the active involvement of the leadership and senior team who are motivated to ensure long-term success of the Company. Grant of stock options also allows the Company to maintain the right balance between fixed pay, short-term incentives, and long-term incentives to effectively align with the risk considerations and build a focus on consistent long-term results.

As per the Employee Stock Option Scheme of the Company, the total options which could be granted is 35,071,160.

A statement giving complete details, as at 31 March 2025, under regulation 14 of the ESOP Regulations, is available on the website of the Company and can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>. Grant wise details of options vested, exercised, and cancelled are provided in the notes to the standalone financial statements. The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2025.

Share Capital

During FY2025, pursuant to the approval of the Board of Directors and members of the Company, the following changes have taken place in the share capital of the Company:

a) Preferential allotment of Warrants ('PI')

The Company had allotted 1,550,000 convertible warrants by way of preferential offer in FY2024 to Bajaj Finserv Limited, promoter and the holding company, amounting to approximately ₹ 1,200 crore.

In accordance with the terms of issue, 25% of issue price amounting to ₹ 297.21 crore was received on application during FY2024.

During the year under review, Bajaj Finserv Limited, opted for the conversion of warrants and remitted the remaining 75% of the issue amount i.e., ₹ 891.64 crore. Pursuant to the same, the Company has allotted 1,550,000 equity shares conversion of said warrants into equity shares of the Company.

Further, as per SEBI ICDR Regulations, the Company appointed CARE Ratings Limited as monitoring agency to monitor the utilisation of issue proceeds of PI. The agency has confirmed that the net proceeds have been utilised for the purpose stated in the offer document and that there have been no deviations in the use of proceeds as stated in the offer document. Details of utilisation of funds raised through PI as per regulation 32(7A) are given in the [Report on Corporate Governance](#).

b) Allotment to ESOP Trust

The Company has issued and allotted 882,182 equity shares of the face value of ₹ 2 each at respective grant prices to the trustees of BFL Employee Welfare Trust under the Employee Stock Options Scheme, 2009.

Sub-division of Equity Shares of the Company and issue of Bonus shares

With a view to facilitate participation of retail investors and small potential investors to partake in the Company's future, the Board of Directors of the Company, at their meeting held on 29 April 2025, approved and recommended for consideration of Members, the following:

- sub-division of one equity share of face value of ₹ 2 (Rupees Two Only) into 2 equity shares of face value of ₹ 1 (Rupee One Only); and
- issue of 4 (Four) bonus equity shares of face value of ₹ 1 (Rupee One Only) for every 1 (One) equity share fully paid-up of ₹ 1 (Rupee One Only) by capitalising such sums out of securities premium account and/or any other permitted reserves as may be considered appropriate.

The said recommendation is subject to approval of members via postal ballot. As on 31 March 2025, the paid-up share capital of the Company stood at ₹ 124.29 crore consisting of 621,428,652 equity shares of face value of ₹ 2 fully paid-up.

Related Party Transactions

All contracts/arrangement/transactions entered by the Company during FY2025 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. Such transactions are reviewed by the Audit Committee on a quarterly basis.

The Company had engaged an independent law firm to review the transactions carried out with related parties during FY2025, to affirm that the transactions are at arm's length nature of such transactions. The said firm, based on its review has concluded that the aforementioned transactions are at arm's length.

Further, as per Regulation 23(1) of SEBI Listing Regulations, 2015, transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Material Related Party Transactions with Bajaj Housing Finance Limited (BHFL), subsidiary of the Company

The Company sought approval of shareholders for entering into Related Party Transactions. The details are provided hereunder:

Particulars	₹ in crore Amount
Acquisition of loans or loan pools by way of assignment and servicing arrangements	5,050
Granting of any loans or advances, credit facilities, or any other form of fund-based facilities	2,500
Charges for inter-company services rendered between the Company and BHFL	100
Sourcing of products by the Company and BHFL	25
Total	7,675

The aforesaid transaction were approved by the shareholders (excluding promoter and promoter group and all related party) vide postal ballot on 21 December 2024. The resolution was approved with an overwhelming majority i.e., 99.97%. The transactions are permitted to be carried out from the date of approval by postal ballot i.e., 21 December 2024 until the ensuing Annual General Meeting.

Similarly, the approval of the members is being sought at the ensuing Annual General Meeting for entering transactions with BHFL, exceeding the prescribed threshold, amounting to ₹ 12,612 crore. Further details are provided in the Notice of the AGM.

Material Related Party Transactions with Bajaj Allianz Life Insurance Company Limited ('BALIC'), subsidiary of Bajaj Finserv Ltd, Promoter

The Company proposes to seek the shareholder's approval for material related party transactions with the BALIC. The nature of the transactions and amount for which the approval of shareholders sought is given hereunder:

Particulars	₹ in crore
	Amount
Insurance expenses	80
Commission Income	670
Charges for Marketing, Branding and allied service	250
Call money on partly paid up NCDs	70
Interest paid on NCDs	360
Lease rentals, maintenance charges etc.	5
Other miscellaneous services (Business support, asset purchases and sales)	10
Total	1,445

Further details are provided in the Notice of the AGM.

All related party transactions entered during FY2025 were in the ordinary course of business, at arm's length.

Details of transactions with related parties during FY2025 are provided in the notes to the financial statements. Also, details of transactions with related parties during FY2025 as reported to the stock exchanges in the prescribed format can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-rpt-disclosure>.

All transactions of the Company were on an arm's length basis and in the ordinary course of business. No transaction required approval under Section 188 of the Act, nor any transaction requires reporting under Form AOC-2.

The policy on materiality of related party transactions and on dealing with related party transactions is available on the website of the Company at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-rpt-v5pdf?scl=1&fmt=pdf> and also forms a part of the Report on Corporate Governance.

Succession Planning

The Company has in place a succession planning framework to address anticipated, as well as unscheduled changes in leadership. The plan is revisited, re-evaluated, and updated every year. The key attributes of the plan involves:

- Organisational level Long Range Strategy wherein talent required to fulfil the Company's strategy and annual operating plan is discussed and planned.
- Performance appraisal system which helps in identifying people demonstrating consistent performance on their Goals and leadership behaviours in line with our cultural anchors.
- Talent Management framework; a bi-annual exercise through which leaders are identified as Top Talent, High Potential and Core Contributors. The exercise culminates in identifying the succession bench for senior management roles.
- Job Rotation Policy with the intent of providing challenging role changes to senior leaders to broaden their perspective and groom them as well rounded leaders.

Material Changes and Commitments

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

Conservation of Energy

The operations of the Company are not energy intensive. The Company implements various energy conservation measures across all its functions and value chain, which are highlighted in the Business Responsibility and Sustainability Report.

Technology Absorption

The details pertaining to technology absorption have been explained in the [Management Discussion and Analysis](#).

Considering the nature of services and businesses, no specific amount of expenditure is earmarked for Research and Development. However, the Company on an ongoing basis strives for various improvements in the products, platforms, and processes.

Foreign Exchange Earnings and Outgo

During FY2025, the Company did not have any foreign exchange earnings and the foreign exchange outgo in terms of actual outflow amounted to ₹ 740.79 crore.

Corporate Social Responsibility ('CSR')

The CSR Committee comprises of three directors viz., Dr. Naushad Forbes, Chairman, Sanjiv Bajaj and Rajeev Jain, members.

The CSR interventions for the year focused on Youth skilling, Child education, Child protection, Child health and Inclusion of Persons with Disabilities. The salient features of the CSR policy and impact assessment report forms part of the Annual Report on CSR activities. The CSR policy has been hosted on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-for-website-v3pdf?scl=1&fmt=pdf>.

The CSR obligation of the Company for FY2025 is ₹ 263.74 crore. As on 31 March 2025, total amount spent on CSR activities by Company is ₹ 257.50 crore.

As per Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is required to transfer any unspent amount, pursuant to any ongoing project undertaken by the Company in pursuance of its CSR policy, within a period of thirty days from the end of the financial year to a special account opened by the Company in that behalf for that financial year in any scheduled bank called Unspent Corporate Social Responsibility Account.

Due to delay in commencement, some part of the mandatory spend for few ongoing projects remained unspent as on 31 March 2025, thereby requiring it to be transferred to an Unspent Corporate Social Responsibility Account. Accordingly, the Company has opened prescribed bank account to transfer unspent amount of ₹ 6.24 crore.

Pursuant to rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR activities is annexed to this Report.

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2025.

Formal Annual Evaluation of the performance of the Board, Committees, and directors

Pursuant to Section 178 of the Act, the NRC and the Board has decided that the evaluation shall be carried out by the Board only and the NRC will only review its implementation and compliance.

Further, as per Schedule IV of the Act and provisions of the SEBI Listing Regulations, the performance evaluation of independent directors shall be done by the entire Board excluding the directors being evaluated, on the basis of performance and fulfilment of criteria of independence and their independence from Management. On the basis of the report on performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director.

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

The manner in which formal annual evaluation of performance was carried out by the Board for the year 2024-25 is given below:

- The NRC at its meeting held on 27 January 2025, reviewed and revised the criteria for performance evaluation of independent directors, taking into consideration emerging areas of Board deliberations, the evolving regulatory landscape, and best governance practices. The updated evaluation criteria are available on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-27-january-2025-finalpdf?scl=1&fmt=pdf>
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson, and individual directors. As advised by the NRC and Board, an option to offer a voluntary feedback to the Board, Committees and Directors was provided.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson, and individual directors for the year 2024-25 and a consolidated report thereof were arrived at.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 20 March 2025.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 20 March 2025.
- Based on the report and evaluation, the Board and NRC at their respective meetings held on 20 March 2025, determined that the appointment of all independent directors may continue.
- Details on the evaluation of the Board, non-independent directors, and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 20 March 2025 have been furnished in a separate paragraph elsewhere in this Report.
- During FY2025, the process followed by the Company was reviewed by the NRC, which opined these to be in compliant with applicable provisions and found it to be satisfactory.

Other than Chairperson of the Board and NRC, no other director has access to the individual ratings given by directors.

Significant and Material Orders passed by the Regulators or Courts

There were no significant or material orders passed by the regulator or court having an impact on the going concern status and Company's operations in future.

Further, details pertaining to penalties/strictures/prohibitions/restrictions on the Company are included in the [Corporate Governance Report](#).

Internal Financial Controls

Internal Financial Controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically.

The Board is of the opinion that internal financial controls with reference to the financial statements are adequate and operating effectively. The internal financial controls are commensurate with the size, scale, and complexity of operations.

Internal Control Systems and their adequacy has been discussed in more detail in [Management Discussion and Analysis](#).

Deposits

The Company accepts deposits from retail and corporate clients. As on 31 March 2025, it had a standalone deposit book of ₹ 71,365.52 crore, delivering an annual growth of 19% in FY2025. Deposits contributed to 26% of BFL's standalone borrowings versus 27% as at the end of FY2024.

The consolidated deposits book as on 31 March 2025 stood at ₹ 71,403.13 crore, delivering an annual growth of 19% in FY2025. Deposit contributed to 20% of its consolidated borrowings as on FY2025 versus 21% as at the end of FY2024.

Break-up of deposits raised on a standalone basis:

		(₹ in crore)	
Sr. No.	Type	Amount raised	Outstanding as on 31 March 2025
1.	Public deposit	14,617.00	41,792.21
2.	Corporate deposit	29,290.99	26,931.57
3.	Other deposit	1,417.10	2,641.74

Pursuant to provisions of the RBI Act, 1934, the Company has created a charge on statutory liquid assets amounting to ₹ 6,429 crore in favour of the trustee for Public Fixed Deposit ('FD') holders.

During FY2025, there was no default in repayment of deposits or payment of interest thereon. With a view to reduce unclaimed deposits, the Company adopted the following process:

- Wherever payment of deposit amount and interest thereon is rejected by bank, Customer Service Team calls the depositor on registered mobile number to inform about rejection reason and advises them of the process to change linked bank account;
- In addition, SMS/Email are also sent to depositors to inform them of rejection reason(s) and advise them to initiate appropriate action for change of bank details;
- Account payee cheque along with covering letter in the name of the deposit holder for unclaimed amount is dispatched at depositors communication address (excluding deceased cases, where settlement is to be done as per nomination/survivorship clause);
- In case deposit holder is not contactable, a field verification is initiated by the local branch to reach out to the depositor;
- In case of death of depositors, claim settlement process is advised to joint depositors/nominee/legal heir, as the case may be;
- Wherever resident status of the depositors has changed from Resident to Non-Resident, they are advised to submit updated FATCA/CRS declaration along with resident status change request.

As on 31 March 2025, there were 20 deposits amounting to ₹ 28.82 lakh which had matured and remained unclaimed and interest on matured deposits amounting to ₹ 1.39 lakh and interest on active deposits amounting to ₹ 4.39 lakh had also remained unclaimed.

Borrowings

The total borrowing limit approved by the shareholders stands at ₹ 375,000.

The total borrowing as on 31 March 2025 is ₹ 275,217.60 crore. The break-up of the same is as under:

		(₹ in crore)					
Particulars	Deposits	Bank Loans (TL/CC/OD/WCDL)	Non-Convertible Debentures	Subordinate Liabilities	Short-term Borrowings	External Commercial Borrowing	Securitisation (PTC)
Amount	71,365.52	57,299.70	89,654.74	3,103.54	36,666.79	15,373.63	1,753.68
% to total borrowing	25.93	20.82	32.58	1.13	13.32	5.59	0.64

Credit Rating

During the year under review, Moody's Ratings vide their press release dated 17 October 2024, has assigned a first-time Baa3(Stable outlook)/P-3 long-term and short-term foreign and local currency issuer ratings to the Company.

Further, S&P Global Ratings vide their report dated 17 March 2025, have revised long-term rating outlook for the Company from 'Stable' to 'Positive'. The credit rating agency revised upward the Company's standalone credit profile (SACP) from BBB- to BBB.

The brief details of the ratings received from credit rating agencies by the Company for all its outstanding instruments are given in [General Shareholder Information](#).

Whistle-Blower Policy/Vigil Mechanism

The Company has a Whistle-Blower Policy encompassing vigil mechanism pursuant to the requirements of Section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations. The whistle-blower framework has been introduced with an aim to provide employees, directors, and value chain partners with a safe and confidential channel to share their inputs about such aspects which are adversely impacting their work environment. The policy/vigil mechanism enables directors, employees, and value chain partners to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

The concerns may be reported anonymously either through email or through a 'Confidential Feedback Mechanism', which is reviewed by a Committee comprising of Senior Management representatives. Pursuant to the Whistle-Blower Policy, the summary of incidents investigated, actioned upon, founded and unfounded are reviewed by the Audit Committee on a quarterly basis. Further, the Committee from time to time reviews the functioning of the whistle-blower mechanism and measures taken by the Management to encourage employees to avail of the mechanism to report unethical practices.

The Whistle-Blower Policy is uploaded on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-with-times-stamp.pdf?scl=1&fmt=pdf>.

More details are given in the [Report on Corporate Governance](#).

Independent Directors' Meeting

Pursuant to the Act and SEBI Listing Regulations, the independent directors must hold at least one meeting in a financial year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 20 March 2025 and:

- noted the report of performance evaluation from the Chairman of the Board for the year 2024-25;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Board, taking into account the views of executive and non-executive directors; and
- assessed the quality, quantity, and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition, the independent directors have a separate meeting with the SMT, during which the SMT is encouraged to express their views and concerns pertaining to the business. Suggestions from the directors are noted by the Management.

RBI Guidelines

The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital to risk-weighted assets ratio of the Company was 21.96% as on 31 March 2025. In line with the RBI guidelines for asset liability management ('ALM') system for NBFCs, the Company has an asset liability committee, which meets monthly to review its ALM risks and opportunities. Further, BFL exceeds the regulatory requirement of liquidity coverage ratio ('LCR') introduced by the RBI in FY2020. As against the LCR requirement of 100%, BFL's LCR as on 31 March 2025 was 124.93%.

The Company continues to be in compliance with the RBI Scale Based Regulations.

Corporate Governance

In terms of the SEBI Listing Regulations, a separate section titled [Report on Corporate Governance](#) has been included in this Annual Report, along with the [Management Discussion and Analysis](#) and [General Shareholder Information](#).

The Managing Director and the Chief Financial Officer have certified to the Board in relation to the financial statements and other matters as specified in the SEBI Listing Regulations.

A certificate from auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Business Responsibility and Sustainability Report ('BRSR')

Pursuant to the SEBI circular dated 10 May 2021 read with SEBI Master Circular dated 11 November 2024, and amendment in SEBI Listing Regulations, top 1,000 listed entities based on market capitalisation are required to submit BRSR with effect from FY2023.

SEBI, has further introduced BRSR Core, a focused sub-set of the BRSR, comprising Key Performance Indicators ('KPIs') across nine Environmental, Social, and Governance (ESG) attributes. As per the glide path outlined in the circular, the top 250 listed entities are mandated to obtain reasonable assurance on the BRSR Core disclosures. In compliance with the SEBI requirements, the Company has appointed SGS India Private Limited ('SGS') as an Assurance provider for carrying out the Reasonable Assurance for BRSR Core and Limited assurance for the remaining BRSR disclosures, in alignment with SEBI's requirements, for FY2025.

The Company has adopted a Policy for Responsible and Sustainable Business Conduct. The Board has in place an executive level cross functional ESG Committee headed by the Managing Director. The Committee chalks out plans and other initiatives keeping in view the leading practices and the requirements. It also monitors the implementation of ESG related initiatives and reporting thereof.

The BRSR in the updated format (including KPIs of BRSR Core) prescribed by SEBI is annexed to the Annual Report. A detailed ESG Report describing various initiatives, actions and process of the Company towards the ESG endeavour can be accessed at <https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance>.

Secretarial Standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors and General Meetings read with the MCA circulars.

Internal Audit

The internal audit function provides an assurance to the Audit Committee/Board of Directors and the Senior Management on the quality and effectiveness of BFL's internal controls, risk management and governance related systems and processes. In line with RBI's guidelines on Risk Based Internal Audit, the Company has implemented a Risk Based Internal Audit Policy.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. The Audit Committee on a quarterly basis reviews the internal audit reports based on the approved plan, which includes audit observations, corrective and preventive actions. The Committee also reviews adequacy and effectiveness of internal controls based on such reports.

The Committee also has independent meetings with the internal auditor without the presence of Management.

As per RBI guidelines, quality assurance and improvement programme ('QAIP') is required to be carried out at least once a year covering all aspects of internal audit function. Accordingly, QAIP was carried out by an external agency for FY2023-24 to assess functioning of the internal audit function, adherence to the internal audit policy, objectives and expected outcomes. Similarly, QAIP for FY2024-25 will be carried out by an external agency.

Statutory Auditors

In line with the RBI requirements, the Board of Directors, based on the recommendation of the Audit Committee, at their meeting held on 25 April 2024, appointed Price Waterhouse LLP, Chartered Accountants, (Firm Registration No. 301112E/E300264) ('PWC') and Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No. 105215W/W100057) as Joint Statutory Auditors for a period of 3 years to conduct audit of the financial statements of the Company for the financial years 2025, 2026 and 2027.

The Audit Report given by Price Waterhouse LLP and Kirtane & Pandit LLP, Joint Statutory Auditors for FY2025 is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

In terms of the RBI Master Directions – Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, the previous Joint Statutory Auditors have also submitted an additional Report dated 23 July 2024, for FY2024 which has been filed with RBI. There were no comments or adverse remarks in the said Report as well.

The information under Section 143(12) read with Section 134(3)(ca) of the Act is given in the section 'fraud monitoring and reporting.'

Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the secretarial audit was conducted by Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572).

A report in the prescribed Form MR-3 is annexed to this Report.

As per regulation 24A(1) of SEBI Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Annual Report. Bajaj Housing Finance Limited ceased to be the material unlisted subsidiary of the Company, pursuant to its listing of equity shares on BSE Limited and National Stock Exchange and India Limited. However, the audit report of BHFL is annexed to this report.

Secretarial audit report pursuant to Section 204 of the Act for BFSL, is not annexed as it is a non-material subsidiary.

Pursuant to regulation 24A(2) of the SEBI Listing Regulations, a report on secretarial compliance for FY2025 has been issued by Shyamprasad D. Limaye and the same will be submitted with the stock exchanges within the given timeframe. The report will also be made available on the website of the Company.

The secretarial audit report for FY2025, is unmodified i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

The secretarial auditor has not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.

Appointment of Secretarial Auditor

In light of the recent amendments in the SEBI Listing Regulations mandating appointment of Secretarial Auditor for a period of five years and with a view to reduce his professional commitments Shyamprasad Limaye has not offered his services as secretarial auditor.

The Board wishes to place on record the valuable services rendered by Shyamprasad during his long association with the Company and the group.

As mentioned above listed entities are required to appoint a secretarial auditor for a period of five years effective from financial year 1 April 2025.

Accordingly, Board has recommended the appointment of Makarand M. Joshi & Co. ('MMJC'), a peer reviewed firm of Company Secretaries in Practice as Secretarial Auditors of the Company for a term of 5 (five) consecutive years for approval of the Members at ensuing AGM of the Company.

Brief resume and other details of proposed secretarial auditors, forms part of the Notice of ensuing AGM. MMJC have given their consent to act as Secretarial Auditors of the Company. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations.

Other Statutory Disclosures

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, be construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- The financial statements of the Company and its subsidiaries are placed on the Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>.

- Details required under the provisions of Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, *inter alia*, the ratio of remuneration of director to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of Section 136(1) of the Act.
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- The provision of Section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- The Company has a policy on prevention of sexual harassment at the workplace. The policy is gender neutral. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details of the composition of the Committee is given in the said policy. The number of complaints received, disposed of, and pending during FY2025 is given in the Report on Corporate Governance. The policy can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harassment-at-workplace-policy-with-time-stamppdf?scl=1&fmt=pdf>.
- There is no change in the nature of business of the Company during FY2025.
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- During FY2025, the Company has issued non-convertible debenture to the tune of ₹ 31,263.10 crore on face value and redeemed non-convertible debentures and subordinate liability to the tune of ₹ 11,675 crore and ₹ 452.50 crore respectively face value. In addition, the Company also raises funds for business purposes through issuance of Commercial Papers ('CPs'). As on 31 March 2025, the total outstanding amount raised through CPs stands at face value of ₹ 21,356.14 crore.
- SEBI vide its circular no. SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated 8 November 2023, has prescribed the procedural framework for dealing with unclaimed interest and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors. The circular requires such companies to formulate a policy specifying the process to be followed by investors for claiming their unclaimed amounts. Accordingly, a policy titled 'Policy for claiming Unclaimed Amounts with respect to Non-Convertible Debentures from Escrow Account' has been framed by the Company. The policy can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-unclaimed-amounts-20-march-2025pdf?scl=1&fmt=pdf>. The Company Secretary has been designated as the Nodal Officer for the purposes of this circular. As on 31 March 2025, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Disclosures under Section 197(14) of Companies Act, 2013:

➤ **Rajeev Jain, Vice Chairman (DIN: 01550158)**

He is on the Board of BHFL as its Non-executive Vice Chairman. In his capacity as a non-executive director, he draws sitting fees and commission from BHFL at par with other non-executive directors in terms of its remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2025 is ₹ 99 lakh. Apart from the above, he does not draw any commission from any other subsidiary company.

Effective 1 April 2025, he has been appointed on the Board of Bajaj Finserv Limited, as a non-executive, non-independent director. He is entitled to sitting fees and commission on par with other non-executive, non-independent director.

He has been awarded one time grant of ESOPs of BFS, holding company during FY2023. All options will vest entirely post completion of 5 years from the grant date.

➤ **Anup Saha, Managing Director (DIN: 07640220)**

Anup Saha is not on the Board of any subsidiary or group companies and does not draw any commission or remuneration from any of these companies.

He has been awarded one time grant of ESOPs of BFS during FY2023. The options will vest entirely post completion of 5 years from grant date.

- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016, against the Company.
- During FY2025, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.
- The voting rights are exercised directly by the employees in respect of shares allotted under the Employee Stock Option Scheme of the Company. Thus, the disclosure requirements pursuant to rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, is not applicable.
- Disclosure pursuant to RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements and Report on Corporate Governance.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013, SEBI Regulations, RBI Directions, and other regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations. The Report on Corporate governance contains web-link for policies hosted on website.

Acknowledgement

The Board of Directors places its gratitude and appreciation for the support and cooperation from its members, the RBI and other regulators, banks, financial institutions, trustees for debenture holders and fixed deposit holders.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company, its subsidiaries and associates and thanks them for yet another good year of performance.

On behalf of the Board of Directors,

Sanjiv Bajaj

Chairman

DIN: 00014615

Pune: 29 April 2025

Dividend Distribution Policy

Preamble:

The financial strategy of the Company, which encompasses the dividend policy, is primarily aimed at enhancement of long-term shareholder value and sustainable growth, in a way that the shareholders can participate equitably in the Company's growth, while maintaining a strong financial foundation for the Company.

Objective:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of Bajaj Finance Limited ("the Company") before recommending dividend to its shareholders for a financial year. The policy is framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

Criteria to be considered before recommending dividend:

The Board will consider the following factors before recommending dividend:

Statutory and regulatory compliance:

The Company shall declare dividend only after ensuring compliance with guidelines on dividend declaration issued by the Reserve Bank of India (RBI) from time to time, provisions of the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations, as amended from time to time.

Financial parameters:

The Board shall endeavour that the Dividend amount in every financial year will be stable and steady. Subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout (including dividend distribution tax) in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

Other internal and External Factors:

The dividend distribution will be subject to internal & external factors, such as, general, economic & market conditions, funding requirements for expansion, diversification, growth, new projects, brand/business acquisitions, long-term strategic plans, joint-venture plans, fresh investments in subsidiaries/associates, absorbing unfavourable market conditions, meeting unforeseen contingencies and other circumstances, which in the opinion of the Board, require retention of profits.

Dividend declaration

Final dividend will be recommended by the Board for approval of the shareholders in a general meeting, while an interim dividend, if any, may be declared by the Board. The company currently has only one class of shares, i.e. equity shares.

Amendments/Modifications:

To the extent any change/amendment is required in terms of any applicable law or change in regulations or any specific instructions from regulator, the regulations or specific instructions would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

Review of Policy:

The dividend policy would be reviewed annually.

Disclosure of Policy:

The policy will be available on the Company's website.

Place: Pune

Chairman

Last reviewed on: 20 March 2025

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended 31 March 2025

Name of director/Key Managerial Personnel	Ratio of remuneration of director to median remuneration of employees	% increase in remuneration in FY2025
A. Whole-Time Directors		
Rajeev Jain	387.99	10.50
Anup Saha	191.53	20.00
B. Non-Executive Directors		
Sanjiv Bajaj- Chairman	74.59	25.25
Rajiv Bajaj	4.13	No Change
Dr. Naushad Forbes	14.15	41.18
Anami N Roy	17.69	25.00
Pramit Jhaveri	18.87	39.13
Radhika Haribhakti	11.20	18.75
Dr. Arindam Bhattacharya	8.25	16.67
Tarun Bajaj	Refer Note [®]	Refer Note [®]
Ajay Kumar Choudhary	Refer Note [®]	Refer Note [®]
C. Key Managerial Personnel		
Sandeep Jain- Chief Financial Officer		16.50
R Vijay- Company Secretary		25.00
D. % Increase in Median Remuneration of employees		1.19
E. Number of permanent employees on the rolls of the Company as on 31 March 2025		61,271

[®] Not comparable since Tarun Bajaj and Ajay Kumar Choudhary have been appointed as an independent director of the Company w.e.f. 1 August 2024 and 1 February 2025 respectively.

Notes:

- Remuneration payable to non-executive directors is based on the number of meetings of the Board and/or Committees attended by them during the year. The amount of commission payable to non-executive directors is fixed at ₹ 400,000/- per meeting. As approved by NRC and Board, Sanjiv Bajaj, is being compensated by way of additional commission of ₹ 3.70 crore, for the time and commitment devoted by him during the year, at the request of the Management.
- Remuneration to directors does not include sitting fees paid to them for attending Board and/or Committee meetings.
- The variation reflected in column % change in remuneration in FY2025 is on account of number of Board/ Committee meetings, attendance of directors thereat and change in Committee positions.

Notes on Disclosures under Rule 5

- Average percentage increase in salary of employees other than Managing Director is 11.05%.
- Percentage increase in remuneration of managerial personnel has been determined based on independent benchmarking, performance of the Company and trends of remuneration in the industry.
- The remuneration paid as stated above was as per the Remuneration Policy of the Company.

Secretarial audit report (Form No. MR-3)

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

For the financial year ended 31 March 2025

To,
The Members of
Bajaj Finance Limited
CIN: L65910MH1987PLC042961)
Akurdi, Pune 411035

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Finance Limited** (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025, according to the provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

- 6) Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Deposit taking Non-Banking Financial Companies with classification as a 'Loan Company' (subsequently reclassification as 'NBFC - Investment and Credit Company (NBFC-ICC)' vide RBI circular dated 22 February 2019); which are specifically applicable to the Company;
- 7) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory And Development Authority of India (Registration Of Corporate Agents) Regulations, 2015.

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

- (i) Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Directions, Guidelines, Standards, etc. mentioned above wherever applicable.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Independent Director.

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

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

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

- i. allotted on 11 October 2024, 150 equity shares of ₹ 2/- each at a price of ₹ 110/- each issued on rights basis and kept in abeyance.
- ii. allotted on 05 February 2025, 882,182 equity shares of face value of ₹ 2 to the Trustees of BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.
- iii. converted warrants issued to Bajaj Finserv Limited, promoter and holding company on 26 March 2025 and issued 15,50,000 equity shares.
- iv. allotted 28,72,754 Secured Non-Convertible Debentures amounting to ₹ 30,913 crore on Private Placement basis from time to time and complied with the rules and regulations under various Acts.
- v. issued Commercial Papers amounting to ₹ 44,270 crore from time to time and complied with the applicable rules and regulations under various Acts.

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

Place: Pune
Date: 28 April 2025

Shyamprasad D. Limaye
FCS 1587 CP 572
UDIN: F001587G000220619

To,
The Members,
Bajaj Finance Limited
Akurdi, Pune 411035

My Secretarial Audit Report for Financial Year ended on 31 March 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 28 April 2025

Shyamprasad D. Limaye
FCS 1587 CP 572

Secretarial audit report (Form No. MR-3)

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

For the financial year ended 31 March 2025

To,
The Members of,
Bajaj Housing Finance Limited,
(CIN: L65910PN2008PLC132228)
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Akurdi, Pune-411035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Housing Finance Limited** (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and subject to letter annexed herewith, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025, according to the provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended, regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

- 6) Rules, regulations, directions and guidelines issued by the Reserve Bank of India/National Housing Bank as are applicable to the Company;
- 7) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

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

- (i) Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

- i. Allotted 1,10,74,19,709 equity shares of ₹ 10/- each at issue price of ₹ 18.06 on Right basis on 3 April 2024 aggregating to ~₹ 2,000 crore to Bajaj Finance Limited.
- ii. On 13 September 2024, the Company allotted 93,71,42,856 equity shares of ₹ 70/- per equity share (including a share premium of ₹ 60/- per equity share) amounting to ₹ 6,560.00 crore through Initial Public Offer comprising a fresh issue of 50,85,71,428 equity shares of the Company and 42,85,71,428 equity shares offered for sale by selling shareholder.
- iii. Allotted 15,94,500 units of Face Value of ₹ 1 lakh each and 11,000 units of Face Value of ₹ 10 lakh each Secured non-convertible debentures amounting to ₹ 17,045.00 crore (Face Value) on private placement basis from time to time and complied with the rules and regulations under various Acts. The Company has raised ₹ 252.00 crore towards Unsecured non-convertible debentures.
- iv. Issued Commercial Papers amounting to ₹ 3,550.00 crore (Face Value) from time to time and complied with the rules and regulations under various Acts.
- v. The equity shares of the Company were Listed on BSE Limited and National Stock Exchange of India Limited on 16 September 2024.

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

Place: Pune
Date: 23 April 2025

Shyamprasad D. Limaye
FCS 1587 CP 572
UDIN: F001587G000177831

To,
The Members,
Bajaj Housing Finance Limited,
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Akurdi, Pune -411 035.

My Secretarial Audit Report for the Financial Year ended on 31st March, 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune
Date: 23 April 2025

Shyamprasad D. Limaye
FCS 1587 CP 572

Independent Auditor's Certificate on Corporate Governance

To,
The Board of Directors,
Bajaj Finance Limited
Akurdi, Pune – 411 035

Independent Auditor's Certificate of Corporate Governance for the year ended 31 March 2025 of Bajaj Finance Limited

1. This report is issued in accordance with the request received from Bajaj Finance Limited (the "Company") dated 23 April 2025.
2. We Kirtane & Pandit LLP, Chartered Accountants, are the Joint Statutory Auditors of Bajaj Finance Limited (the "Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. A limited assurance engagement includes performing procedures to examine examined the books of account and other relevant records and documents and obtain sufficient appropriate evidence that may vary in nature, timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express audit opinion.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.
7. We have conducted verification of the supporting in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable.

For the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. Our scope of work did not include verification of compliance with other requirements of the other circulars and notifications issued by regulatory authorities from time to time and any other laws and regulations applicable to the Company.
9. The procedures performed vary in nature and timing from, and are in less in extent than for, a reasonable assurance engagement. We have performed the following procedures in relation to the Statement:
 - a. Obtained the report on corporate governance and verified the details.
 - b. Obtained necessary representations from the Company's officials in respect of Information furnished in the report on Corporate Governance.
10. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

Conclusion

11. Based on the procedures performed by us, as stated in paragraph 7 and 9 above and according to the information and explanations given to us and the Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management nothing has come to our attention that causes us to believe that the information contained in the Statement is not in compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2025.

Restriction on Use

12. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **KIRTANE & PANDIT LLP**
(Chartered Accountants)
Firm registration No: 105215W/W100057

Suhas Deshpande
Partner

Membership No: 031787
UDIN: 25031787BMNUGI6870

Date: 29 April 2025
Place: Pune

Certificate by practicing company secretary

[Pursuant to Schedule V read with Regulation 34(3) & Schedule V, Para C, Clause (10)(i) of SEBI (LODR) Regulations, 2015 (as amended)]

In the matter of **Bajaj Finance Ltd.** (CIN: **L65910MH1987PLC042961**) having its registered Office at Akurdi, Pune - 411035.

On the basis of examination of the books, minute books, forms, and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company.

I certify that the following persons are Directors of the Company (during 01 April 2024 to 31 March 2025) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Rahulkumar Bajaj	00014615	Chairman
2	Rajeev Jain	01550158	Managing Director
3	Rajivnayan Rahulkumar Bajaj	00018262	Non- Executive Director
4	Naushad Darius Forbes	00630825	Independent Director
5	Anami Narayan Prema Roy	01361110	Independent Director
6	Pramit Shashikant Jhaveri	00186137	Independent Director
7	Radhika Vijay Haribhakti	02409519	Independent Director
8	Anup Kumar Saha	07640220	Whole Time Director
9	Arindam Bhattacharya	01570746	Independent Director
10	Ajay Kumar Choudhary	09498080	Independent Director
11	Tarun Bajaj	02026219	Independent Director

Place: Pune
Date: 28 April 2025

Shyamprasad D. Limaye
FCS 1587 CP 572
UDIN: F001587G000220641

Annual Report on CSR activities for the financial year ended 31 March 2025

1. Introduction

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

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

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

In 2024, Bajaj Group companies came together to commit ₹ 5,000 crore over five years towards social impact programs, with the goal of impacting 2 crore individuals. This commitment is currently driving a wide range of ongoing initiatives, primarily focused on youth skilling for employment, income generation, and entrepreneurship. Efforts are also actively expanding to child specific programs in education, health, and protection, along with inclusion for persons with disabilities.

Guiding principles:

The Bajaj Group believes that social investments should:

- **Benefit Generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for Self-Reliance and Growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote Health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for Self Help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.

2. Brief outline on Company's CSR Policy

In compliance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has in place a CSR Policy. The Policy was reviewed by the Board at its meeting held on 24 July 2024. The Policy, *inter alia*, covers the following:

- Philosophy, Approach & Direction
- Guiding Principles for selection, implementation and monitoring of activities
- Guiding Principles for formulation of Annual Action Plan

3. Composition of CSR Committee:

Sr. No.	Name of director	Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Naushad Forbes	Chairman, non-executive, independent	4	4
2.	Sanjiv Bajaj	Non-executive, non-independent	4	4
3.	Rajeev Jain	Executive, non-independent	4	3

4. Web-link where the following are disclosed on the website of the Company:

Composition of CSR Committee	https://www.aboutbajajfinserv.com/finance-people-and-committees-board-committees
CSR Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-for-website-v3pdf?scl=1&fmt=pdf
CSR projects approved by the Board	https://www.aboutbajajfinserv.com/finance-investor-relations-csr-projects

5. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:

Impact assessment has been carried out for 9 projects. The executive summaries are annexed to this report. The full report is hosted on Company's website and can be accessed at <https://www.aboutbajajfinserv.com/finance-csr-impact-assessment-reports>

- 6.** (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 13,186.90 crore
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 263.74 crore
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 263.74 crore
- 7.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project: ₹ 250.95 crore
- (b) Amount spent on Administrative Overheads: ₹ 6.28 crore
- (c) Amount spent on Impact Assessment, if applicable: ₹ 0.27 crore
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 257.50 crore
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the financial year (in ₹)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-Section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
257.50	6.24	28 April 2025	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	263.74
(ii)	Total amount spent for the Financial Year	257.50
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

8. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

(₹ in crore)

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of Section 135	Balance Amount in Unspent CSR Account under subsection (6) of Section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	FY2021-22	60.88	-	-	-	-	-	-
2	FY2022-23	20.87	-	-	-	-	-	-
3	FY2023-24	6.19	-	6.19	-	-	-	-

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA

10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135: Due to delay in commencement of project as compared to approved timelines, some part of the mandatory spend for an ongoing project has remained unspent as on 31 March 2025.

Sd/-

Anup Saha

Managing Director
DIN: 07640220

Sd/-

Dr. Naushad Forbes

Chairman of CSR Committee
DIN: 00630825

ANNEXURE TO ANNUAL REPORT ON CSR ACTIVITES

Sr. No.	Company & Project No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ in Lakh)	Impact Assessment Agency	Impact	Weblinks where complete report is available
1	BFL- 10612	Grant Medical Foundation (Ruby Hall Clinic)	Bajaj Finserv Cyber Knife Centre	1 February 2023- 31 July 2023	2090	Give Grants	The project supported the installation and operationalization of state-of-the-art CyberKnife system. The system successfully treated 212 patients providing ₹ 34.5 lakhs worth of free treatment. The system has a tumor detection accuracy rate of 75% or higher, effectively minimising recurrence and improving survival rates. It offers a swift treatment response of 1 to 5 days, enhancing patient experience and minimising recovery time. A 40% reduction in recurring tumor growth was observed in the treated patients.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10612-grant-medical-found-bflpdf?sc1=1&fmt=pdf
2	BFL-10447	The Akanksha Foundation	The School Project	1 January 2022 – 31 March 2023	160	Think Through Consulting (TTC)	The school project supported 970 students in Matoshri English Medium School to provide high-quality, holistic education to students from underserved communities. After the intervention, 1.3% dropout rate was reported, significantly lower than the national secondary-level average of 12.6%. 71.7% of students correctly answered comprehension questions in assessments conducted. 90% of students attended career counselling sessions, reporting improved awareness of career options.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10447-the-akanksha-foundation-bflpdf?sc1=1&fmt=pdf
3	BFL-10521	Paraplegic Rehabilitation Centre	Infrastructure Upgradation of Residential Block at Paraplegic Rehabilitation Centre.	1 July 2022 – 31 March 2023	149	Give Grants	The renovation of the residential block has significantly enhanced residents' independence, mobility, and overall well-being. All the residents confirmed that the deadlines were adhered to and the accessibility features significantly improved the functionality of the facility for both residents and staff. A heightened sense of safety was reported by all residents in the renovated D-Block.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10521-paraplegic-rehab-centre-bflpdf?sc1=1&fmt=pdf
4	BFL-10495	Arpan	A multipronged approach to addressing child sexual Abuse	1 July 2022- 30 September 2023	200	CSRBOX	9350 children and 8000 teachers benefitted from the three programs of Arpan on Child Sexual Abuse (CSA). Caregivers demonstrated significant attitude shifts towards CSA, with support for sessions rising from 33% to 83% and awareness of CSA increasing from 8% to 75%. Additionally, 75% felt more confident discussing CSA with children and the community after the session. ARPAN engaged 11 schools for PSE sessions, reaching 602 caregivers and 1,861 children, and addressing 179 disclosure cases.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10495-arpan-bflpdf?sc1=1&fmt=pdf
5	BFL-10254	Seva Mandir	Early Childhood Care in Rural areas	1 July 2019 – 31 March 2023	300	CSRBOX	The project benefitted 1500 children in the age group of 0-5 yrs and 1200 women caregivers in Udaipur. Improvement in overall health, nutrition and education standards of children was observed. 92% of children had regular height checkups and 83% had consistent weight monitoring, ensuring effective growth tracking, however, 23% of children were identified as SAM but were not sent for treatment by parents mainly due to transportation and long stay issues.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10254-seva-mandir-bflpdf?sc1=1&fmt=pdf

Sr. No.	Company & Project No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ in Lakh)	Impact Assessment Agency	Impact	Weblinks where complete report is available
6	BFL- 10159	Ummeed Child Development Center	Clinical sessions for children with developmental disabilities from low/mid socio-economic backgrounds	1 January 2018- 31 March 2021	591	Think Through Consulting (TTC)	The program provided clinical session services to 2,166 children dealing with developmental disabilities. 100% of the respondents noted improvements in their child's social and communication skills and agreed that the clinical sessions positively influenced child's physical and cognitive development. The program offered significant concessions ranging between 50% to 98% to the families for clinical sessions. 87% of the respondents rated the quality of services as excellent, emphasizing positive developmental progress in their children.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10159-ummeed-clinical-sessions-bfipdf?sci=1&fmt=pdf
7	BFL-10251	Can KIDS.. KIDS Can..	Can Kids AAC & CCC Programs	1 April 2019 – 31 December 2021	300	CSRBOX	The project strengthened 5 Cancer Hospitals Support Units (CHSU) and supported the treatment and formal education of 636 children in Maharashtra and 954 in Rajasthan. 52% parents found that their children were able to recover from cancer due to the treatment aid in Maharashtra. 84% parents actively sought and received nutritional support. 83% of families from Rajasthan and 59% from Maharashtra expressed that they would not have been able to afford the treatment in absence of CanKids.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10251-cankids-bfipdf?sci=1&fmt=pdf
8	BFL- 10273	Child Rights and You (CRY)	Addressing Issues of Child Protection, Health & Nutrition	1 January 2020- 30 June 2022	946	impactDash	The project was implemented in 389 villages across 15 districts of Maharashtra and Rajasthan on the aspects of health & nutrition and education & protection. As a result of health intervention, 100% children were immunized and all identified malnourished children were given medical attention, specialized treatments. The education interventions suffered a setback due to Covid 19, however, 98% of children attended schools by the end of program period.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10273-cry-bfipdf?sci=1&fmt=pdf
9	BFL-10405	Jankidevi Bajaj Gram Vikas Sanstha	COVID Immunization for Bottom of Pyramid in Pune	1 November 2021 – 28 February 2022	463	CSRBOX	Under the program, 5,50,000 doses of Covishield vaccines were administered in Pune Municipal Corporation in 500+ vaccination sites across 15 talukas of Pune Zila Parishad. The long-term health impact of the vaccination drive includes improved population health, long-term COVID-19 complications, and a stronger healthcare infrastructure.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10405-jbgvs-bfipdf?sci=1&fmt=pdf

BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65910MH1987PLC042961	
2.	Name of the Listed Entity	Bajaj Finance Limited (Referred to as 'the Company' / 'BFL')	
3.	Year of incorporation	1987	
4.	Registered office address	Akurdi, Pune - 411 035	
5.	Corporate address	4th Floor, Bajaj Finserv Corporate office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014	
6.	E-mail	investor.service@bajajfinserv.in	
7.	Telephone	020-71576403	
8.	Website	https://www.bajajfinserv.in/corporate-bajaj-finance	
9.	Financial year for which reporting is being done	2024 - 2025	
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange Limited (NSE Limited)	
11.	Paid-up Capital	₹ 124.17 crore*	
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name and designation of the person	R Vijay, Company Secretary
		Contact details	020-71576403
		Email ID	vijay.r@bajajfinserv.in
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which form a part of its consolidated financial statements, taken together).	Consolidated basis (unless otherwise stated) – Collectively referred to as 'BFL Group' which includes Bajaj Finance Limited and its two subsidiaries i.e., Bajaj Housing Finance Limited, and Bajaj Financial Securities Limited (wholly-owned).	
14.	Name of assessment or assurance provider	Assurance provided by SGS India Private Limited	
15.	Type of assessment or assurance obtained	BRSR Core: Reasonable assurance BRSR Non-Core: Limited assurance	

*Net of 616,288 equity shares of ₹ 2 each held in trust for employees under employee stock option plan scheme.

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Financial and Insurance Services	Engaged in the business of lending, partnership and services, payments and acceptance of deposits	98.85%

17. Products/Services sold by the entity (accounting for 90% of the entity's Turnover):

Sr. No.	Product/Service	NIC Code	% of total Turnover Contributed
1.	Non-Banking Finance Company engaged in lending and allied activities	65923	85.19%
2.	Housing Finance (other credit granting)- Home loan, loan against property and construction funding	65922	13.66%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of plants	Number of offices	Total
National	NA*	4,263 [#]	4,263
International		Nil	Nil

*BFL Group is not engaged in manufacturing activities.

[#]Includes all the branches and corporate offices of BFL as on 31 March 2025.

19. Markets served by the entity:

a) Number of locations

Locations	Number
National (No. of States)	28 States and 6 Union Territories (UTs)
International (No. of Countries)	Nil

b) What is the contribution of exports as a percentage of the total turnover of the entity?

Nil. BFL Group doesn't have export business operations.

c) A brief on types of customers:

BFL Group has established a diversified business model with a strong focus on customer acquisition and multiple loans and services offerings, including payments solutions, to meet various financial services needs of our customers. Our product suite is spread across Consumer Lending, Personal Loans, SME Lending, Gold Loan, Auto Financing, Microfinance Lending, Commercial Lending, Rural Lending, Loan against Securities, Mortgages, Public and Corporate Deposits, and Partnership & Services. Our offices are located in Rural and Urban locations enabling us to have a well-diversified asset mix across customer classes and geographies through a combination of secured and unsecured products. BFL Group's customer franchise as on 31 March 2025 stood at 101.82 million and acquired 18.18 million new customers in FY2025.

BFL has a strong geographic presence spread across 4,263 locations across the country, 2,681 including in rural/smaller towns and villages and over 232,000 active distribution points.

The customers are segregated under below given categories:

Borrowers: BFL Group focuses primarily on acquiring mass affluent customers. BFL offers secured and unsecured loans to salaried, self-employed, professionals, MSME and corporate clients. BFL, through its subsidiary Bajaj Housing Finance Limited ('BHFL' or 'Bajaj Housing'), which is registered with the National Housing Bank as a Housing Finance Company (HFC); focuses on mortgage loans to customers.

Depositors: BFL accepts deposits from retail and corporate clients, with retail customers representing the majority of its deposit base.

Broking customers: BFL through its wholly-owned subsidiary i.e., Bajaj Financial Securities Limited ('BFSL', 'BFinsec', 'Bajaj Broking'), which is registered with the Securities and Exchange Board of India (SEBI) as a stockbroker and depository participant, offers broking, depository services, margin trade facility, distribution of mutual funds and PMS to retail and HNI clients.

Merchants: Bajaj Pay QR enables merchants to accept payments by way of UPI, Bajaj Pay wallet and Bajaj EMI. We also offer a dedicated "Bajaj Finserv for Business App" to our merchants. This application provides features like onboarding, transactions and settlement tracking, service and a host of other value-added features.

IV. Employees

20. Details as at the end of Financial Year:

a) Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
			EMPLOYEES			
1.	Permanent (D)	64,092	60,128	93.82%	3,964	6.18%
2.	Other than Permanent (E)*	44,650	40,929	91.67%	3,721	8.33%
3.	Total employees (D + E)	108,742	101,057	92.93%	7,685	7.07%

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
WORKERS						
1.	Permanent (F)					
2.	Other than Permanent (G)			NA		
3.	Total employees (F + G)					

*Includes fixed term contract employees.

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

b) Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED EMPLOYEES						
1.	Permanent (D)	24	18	75.00%	6	25.00%
2.	Other than Permanent (E)	Nil	Nil	Nil	Nil	Nil
3.	Total differently abled employees (D + E)	24	18	75.00%	6	25.00%

Note: Basis disability certificates voluntarily disclosed by employees.

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
DIFFERENTLY ABLED WORKERS						
1.	Permanent (F)					
2.	Other than Permanent (G)					
3.	Total differently abled employees (F + G)				NA	

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

21. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	11	1	9%
Key Management Personnel*	4	0	0%

Note: The above information pertains only for BFL as on 31 March 2025.

*Key Management Personnel are as defined under Section 203(1) of the Companies Act, 2013.

22. Turnover rate for permanent employees and workers

(Disclose trends for the past 3 years)

	FY2025			FY2024			FY2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	18%	19%	18%	18%	17%	18%	19%	21%	19%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

Note 1: The turnover rate has been calculated as per the guidance note provided by SEBI.

Note 2: The turnover of employees in FY2025 would have been at 16.8% excluding Bajaj Group (Bajaj Holdings & Investment Limited, along with its subsidiaries and associates, including the subsidiaries of its associates) transfer.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. (a) Names of holding/ subsidiary/ associate companies/ joint ventures

Sr. No.	Name of the holding/ subsidiary/ associate companies/ joint ventures (A)	Indicate whether holding/ subsidiary/ associate/ joint venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Bajaj Finserv Limited	Holding Company	51.39%	Yes
2.	Bajaj Housing Finance Limited	Subsidiary	88.75%	Yes
3.	Bajaj Financial Securities Limited	Subsidiary	100%	Yes
4.	SnapWork Technologies Private Limited	Associate	41.50%*	No
5.	Pennant Technologies Private Limited	Associate	26.53%*	No

*On a fully diluted basis.

VI. CSR Details

24. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: Yes.

(ii) Consolidated Turnover for FY2025 (₹ in crore) - 69,724.78

(iii) Consolidated Net worth for FY2025 (₹ in crore) - 96,692.87

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2025			FY2024		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Shareholders	Yes	436	7	5 pending complaints have been resolved by 29 April 2025	38	0	-
Investors (other than shareholders)	Yes	-	-	-	-	-	-
Employees and workers	Yes	Please refer Q.6 under "Essential Indicators" of "P5-Business should respect and promote human rights" for the complaints related to employees.					
Customers	Yes	Please refer Q.3 under "Essential Indicators" of "P9 - Businesses should engage with and provide value to their consumers in a responsible manner" for the complaints related to customers.					
Value Chain Partners	Yes	11	2	All pending complaints have been resolved by 29 April 2025	-	-	-
Communities	Yes	-	-	-	-	-	-
Others	NA	NA	NA	NA	NA	NA	NA

BFL Group, in line with its policies, practices and processes, engages with its stakeholders, and strives to resolve differences raised by them in a fair, equitable, and consistent manner and if warranted takes corrective measures. In addition to the policies available on [Company's website](#), there are certain policies regarding conduct with stakeholders including grievance mechanism, which are internal documents and not publicly available.

26. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Enhancing Customer Relationship Management	Opportunity	Enhancing customer experience and satisfaction helps BFL expand its customer base, improve customer retention, build a strong brand image, customer loyalty, and satisfy customers' financial goals.	NA	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
2	Robust Corporate Governance	Opportunity	Adhering to sound governance practices carry substantial benefits, including strong reputation and building stakeholder trust.	NA	Positive
3	Upholding Business Ethics and Transparency	Opportunity	Exercising ethical business behaviour in business presents opportunities for the following reasons: a) Helps build trust and credibility with stakeholders. b) Promotes long-term sustainability and growth. c) Prevents reputational damage, legal problems and loss of business.	NA	Positive
4	Sustainable Economic Performance	Opportunity	Strives to provide sustainable economic performance that builds confidence among stakeholders, enhance Company's competitive edge, and create a favourable environment for exploring new markets and business ventures, enhance Company's reputation, attracts investments, fosters innovation, and promotes long-term growth.	NA	Positive
5	Data Privacy and Security	Risk	Information is a valuable asset regardless of its source and nature. The importance of information security, cyber security, and fraud controls cannot be over-emphasised in this technological age. Security threats endanger customer data and disrupt business operations coupled with legal liabilities, regulatory investigations, financial penalties and damage to brand and reputation.	• Led by a strong commitment to protecting the privacy of personal data. • Formulated a well-structured Data Privacy Policy. • Institutionalised cyber-security policy to protect its information infrastructure on the internet, prevent and respond to cyber threats; reduce vulnerabilities; and minimise damage from cyber incidents. • Strong governance process with executive and Board oversight. • Preparedness for response to incidents. • Awareness programmes and training.	Negative
6	Strong Brand and Reputation Management	Opportunity	Brand and reputation are crucial assets for any company, serving as pillars of trust and credibility in the industry. A strong brand and highly regarded reputation can differentiate a company from competitors, attracting customers and investors alike.	NA	Positive

Section A

Section B

Section C

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7	Embracing Diversity and Inclusion	Opportunity	Seek to create an inclusive, equitable, culturally competent, supportive and safe environment where our employees model behaviour that enriches our workplace. Committed to embedding equity and inclusion in all our people and business practices. Our practices aim to establish an inclusive culture, that celebrates diversity, is free from discrimination and is based on our Cultural Anchor framework. Adopted an Equal Employment Opportunity and Non-discrimination Policy. Committed to meritocracy-based recruitment and career advancement.	NA	Positive
8	Fostering Human Capital Development	Opportunity	BFL Group strongly believes that "happy customers start with happy employees". We value our people as they power our success. In line with this philosophy, we are committed to attracting, engaging, and retaining the right talent, as it contributes to delivering a superior business performance. We are focused on creating a thriving, safe and inclusive workplace for employees, while keeping them engaged and providing opportunities for professional and personal development and growth.	NA	Positive
9	Regulatory Compliance	Risk	BFL Group works in highly regulated environment. Failure to comply with regulation can lead to stoppage of business, litigations, penalties, sanctions, and reputation loss.	BFL is committed to comply with all applicable laws, regulations, and guidelines set by the regulatory authorities. It prioritises the protection of its customers' interests and data. BFL has a dedicated Chief Compliance Officer (CCO) and a robust compliance unit. Under the CCO's supervision, the compliance function is responsible for identifying and assessing compliance risks, providing guidance on related matters, and compliance monitoring and testing of products before and after the launch, applicable across the organisation.	Negative
10	Prudent Risk Management	Opportunity	BFL is exposed to credit, liquidity, operational, market, interest-rate risk and various other types of risk. The ability to manage various types of risks is critical to our sustainable growth.	NA	Positive

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
11	Enhancing Innovation and Digitisation	Opportunity	Technology-enabled seamless customer experience has been the hallmark of our businesses. Each business is unique; so is its approach towards enhancing customer experience, but the core objectives that tie them together and stay the same are simplification of processes, ease of use, and quick and appropriate responses. In the technology age now, information security, cyber security and fraud controls have become extremely critical. This challenges us to continue innovating to address evolving customer requirements, drive efficiency and adapt our products to attract and retain customers. New technologies offer business opportunities.	NA	Positive
12	Marketing and Selling Practices	Risk	Product governance refers to company's management of the quality of financial products and services offered, as well as the way they are marketed. Retail finance companies are highly exposed to product governance issues, given their business model of lending. Types of misconducts include discriminatory lending practices, false marketing, predatory lending, misleading investors through poor disclosure and illegal foreclosure practices.	The Company has established measures to effectively address product governance issues. BFL follows a strict Code of Conduct (CoC) for its outsourced agents. The CoC prescribes stringent guidelines, such as maintaining privacy of prospective and existing customers, providing accurate product information, telemarketing etiquette, etc.	Negative
13	Promoting Sustainable Finance	Opportunity	Sustainable financing is not only important to address pressing environmental and social challenges but also for creating a more resilient, inclusive and prosperous future for all.	NA	Positive
14	Promoting Employee Health, Safety, and Well-being	Opportunity	Beyond legal and financial considerations, promoting health, safety, and well-being is simply the right thing to do. It shows that the organisation values its employees as individuals. When employees feel safe and healthy at work, they are more likely to be engaged, motivated, and productive. This can lead to higher job satisfaction and lower turnover rates.	NA	Positive
15	Encouraging Financial Inclusion	Opportunity	All individuals and businesses across the country should have easy and seamless access to relevant and affordable financial products and services in a sustainable way. This is essential for them to meet their transactional, payment, saving, credit and insurance needs in a hassle-free manner.	NA	Positive

Section A

Section B

Section C

Sr. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
16	Community Relations and Well-being	Opportunity	To build a sustainable ecosystem for the underserved and to help them realise and grow their potential, ensuring social, and economic inclusion for every individual.	NA	Positive
17	Upholding Human Rights	Opportunity	Human Rights risks: The risks that a company's operations/ activities/products pose to people's fundamental human rights. Businesses that properly address human rights issues are likely to have a more productive and more sustainable workforce and avoid legal, operational and financial risks.	NA	Positive
18	Climate Strategy and Emissions Management	Risk	Climate strategy and emissions management are crucial for businesses to manage operational and environmental risks and contribute to a sustainable economy.	The Company, as a responsible corporate citizen, is conscious of direct and indirect impact of its operations on the environment. BFL is committed to reduce any negative impact on the natural environment and climate change. The Company endeavours to integrate sound environmental practices and governance systems in its day-to-day operations to minimise environmental impact.	Negative

Note: For details on the performance metrics and initiatives aligned with the material topics, please refer to materiality assessment topic in Stakeholders' Engagement section of [ESG Report FY2025](#).

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a) Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes (Please refer note below)								
b) Has the policy been approved by the Board? (Yes/No)	Yes. BFL Group has a policy covering all the principles named ' Responsible and Sustainable Business Conduct Policy '. The said Policy is approved by the Board. Further, the Policy is reviewed by the management periodically and the changes are put to the Board for their approval as applicable.								
c) Web-Link of the Policies, if available	https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Yes. BFL Group has translated the policies and imbibed the same into procedures and practices in the activities of the Company, as applicable.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes. BFL Group strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. BFL Group has published comprehensive Supplier's Code of Conduct which extends to its value chain partners. Further, the Board of BFL has approved various policies such as Code of Conduct for Direct Selling Agents (DSA)/Debt Recovery Agents (DRA), Fair Practice Code, Whistle-Blower Policy, etc. to enable participation of its value chain partners in fair and ethical conduct of their business.								
4. Name of the national and international codes/ certifications/ labels/ standards adopted by your entity and mapped to each principle.	All policies have been developed taking into consideration the industry practices and various regulatory requirements and through appropriate consultation with relevant stakeholders. Moreover, BFL is compliant with the ISO 27001:2013 Information security management system and ISO 22301:2012 Business Continuity Management system. BHFL is compliant with ISO 27001:2022 Information security management system. Additionally, the Company's head office is compliant with ISO 14001 (EMS) and 45001 (OHSMS).								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	BFL's commitments for FY2026: 1. Tree plantation 2. 20 Microfinance branches opening 3. ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) certifications for 20 locations 4. Implementation of Water Tracking System (WTS) at 40 locations 5. Distribution of improved cookstoves in phases to foster clean energy access								
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	BFL Group continually tracks the performance of various ESG initiatives undertaken. These initiatives are also monitored and reviewed by the ESG Committee for the status and progress. Further, as committed for FY2025: 1. BFL opened 218 Microfinance branches in FY2025 2. BFL planted around 200,000 saplings during FY2025 3. Implemented Environment, Health, and Safety (EHS) policy for BFL 4. Implemented management approved Climate Risk Policy for BFL 5. Implemented Supplier Code of Conduct across BFL Group								

Note: Indicative list of policies is provided in [annexure](#).

Governance, Leadership, and Oversight

7.	Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets, and achievements (<i>listed entity has flexibility regarding the placement of this disclosure</i>) - Please refer to "Message from the Chairman and the Vice Chairman" in the ESG report at https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance	
8.	Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Rajeev Jain Designation: Vice Chairman (w.e.f. 1 April 2025) DIN: 01550158 Name: Anup Saha Designation: Managing Director (w.e.f. 1 April 2025) DIN: 07640220
9.	Does the entity have a specified Committee of the Board/ Director responsible for decision-making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. BFL has a Board approved ESG Committee consisting of senior management personnel of the Company to monitor various aspects of social, environmental, governance and economic responsibilities of the Company. The said Committee is chaired by Managing Director (w.e.f. 1 April 2025) of the Company. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. During the year, the Board of Directors were updated on the sustainable and responsive business conduct initiatives across the BFL Group. In addition, the Board level Risk Management Committee also assesses internal/ external risks pertaining to sustainability as identified.

10. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company:

Subject for Review	Indicate whether review was undertaken by Director/ Committee of the Board/ Any other Committee									Frequency (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action																		
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances																		
11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.																		

Note: Policies other than those placed on BFL's website (<https://www.bajajfinserv.in/finance-investor-relations-policies-and-documents>) are internal documents and are not accessible to public.

12. If answer to question (1) above is "No" i.e., not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

As the answer to question (1) above is 'Yes', this section is not applicable.

P1 SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

P2 **PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner**
P3 **that is Ethical, Transparent and Accountable.**

P4 **Essential Indicators**

P6 **1. Percentage coverage by training and awareness programmes on any of the principles during the**
P7 **financial year:**

P8	Total		% of persons
P9	number of		in respective
	training and		category
	awareness		covered by
	programmes		awareness
	held	Topics/ principles covered under the training and its impact	programmes
Board of Directors*	2	On an ongoing basis, BFL carries out familiarisation programs for its Directors, as required under the SEBI Listing Regulations and keeps the Directors and KMPs abreast on matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and significant developments and updates within the Company. A declaration from the Directors and Senior Management's adherence to the Code of Conduct for Directors and Senior Management is communicated to all stakeholders by the Managing Director, through the Annual Report. Additionally, during its meeting held on 20 March 2025, the Board of Directors conducted a comprehensive review of BFL Group's ESG initiatives, encompassing the following: 1. ESG Regulatory Developments 2. Update on ESG Commitments 3. Key Focus areas of ESG ratings. 4. ESG initiatives undertaken by the Group. 5. Planned projects for next financial year. Impact: Ensure Directors and KMPs stay abreast of various ESG developments, regulatory updates/changes, and other requisite familiarisation programmes. This empowers and fosters a more informed and strategic contribution.	100%
Key Managerial Personnel*			
Employees other than BoDs and KMPs#	1	BFL Group invests substantial time and resources for capacity building of its employees, ensuring they remain at the forefront of the latest trends and technologies. Further, for pertinent topics, periodic awareness programs are carried out through emails, posters/banners (physical and digital) and other modes of internal communication. Such training/awareness programs are on an array of topics including Information Security, BCMS & Data Privacy, Cybersecurity Awareness, Anti Money Laundering and KYC, Dealing with BFS Securities , Code of Ethics & Personal Conduct (CoEPC), Prevention of Sexual Harassment, Whistle-Blower , Mind Your Behaviour (MYB), Environment & Social Governance (ESG), Employee Safety - First Aid and Fire Training, Digital Media Privacy & Security, Digital Media, Interaction with Differently Abled, Interaction with Senior Citizens, Interaction with Expecting Mothers, and Human Rights. Impact: Enhancing ESG awareness to ensure alignment with BFL's upheld ethics and values	100%
Workers		NA	NA

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

*Data pertains to BFL.

#Data pertains to permanent employees.

P1

2. Details of fines/penalties/punishment/award/compounding fees/ settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/ judicial institutions, in the financial year, in the following format:

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal preferred? (Yes/No)
Penalty/ Fine	1	Insurance Regulatory and Development Authority of India (IRDAI)	2 crore	IRDAI has levied a penalty of ₹ 2 crore on Bajaj Finance Limited on 15 July 2024 for non-adherence of IRDAI (Registration of Corporate Agents) Regulations, 2015, (i) with respect to reconciliation of commission and professional fees received and that reported to the Authority; and (ii) with respect to maintenance of records of customer documentation. Further, IRDAI has also issued additional directions to the Company and advised the Company to comply with those directions in a time-bound manner. The Company has taken necessary corrective actions in this respect.	No
Settlement				Nil	
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment				Nil	

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
	Nil

P1 4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

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Yes. BFL Group has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all its business dealings, through necessary policies, codes, and charters. The Code of Ethics and Personal Conduct (CoEPC) consistently adopted across BFL Group reiterates our commitment on anti-bribery and covers all full-time or part-time employees, subject to applicable laws/regulations. All employees of BFL Group must adhere to the commitment of integrity and other responsible business conduct principles laid down in CoEPC. The anti-bribery guidelines cover aspects related to bribes, acceptance of favours, and gifts from vendors/business partners, interacting with Government and Regulators, amongst others.

Further, it reflects our dedication to operate in an open, fair, and accountable manner.

Further, Employee Charter - Human Rights Statement adopted by BFL Group also lays down the principle and commitment on anti-corruption and bribery.

The principles of anti-corruption and bribery are also captured in the "Code of Conduct for Directors and Senior Management" and "Supplier's Code of Conduct" for vendors/suppliers.

Some of these policies, codes and charters are available on Company's website: (<https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes>)

5. Number of Directors/ KMPs/ employees/ workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

	FY2025	FY2024
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

Note: Based on the information available with the Company.

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

6. Details of complaints with regard to conflict of interest:

	FY2025		FY2024	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil	Nil	Nil	Nil
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	Nil	Nil	Nil	Nil

7. Provide details of any corrective action taken or underway on issues related to fines/ penalties/ action taken by regulators/ law enforcement agencies/ judicial institutions, on cases of corruption and conflicts of interest.

BFL Group was not subjected to any corruption and conflicts of interest related charge or action by regulators, law enforcement agencies or judicial institutions.

8. Number of days of accounts payables ((Accounts payable *365)/ Cost of goods/ services procured) in the following format:

	FY2025	FY2024
Number of days of accounts payables	18.56	21.19

Note: Data reported on standalone basis. Numbers for FY2024 restated accordingly.

P1

9. Open-ness of business

P2

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format:

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Parameter	Metrics	FY2025	FY2024
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	Nil	Nil
	b) Number of trading houses where purchases are made from	Nil	Nil
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of sales	a) Sales to dealers / distributors as % of total sales	Nil	Nil
	b) Number of dealers / distributors to whom sales are made	Nil	Nil
	c) Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs In*	a) Purchases (Purchases with related parties / Total Purchases)	3.57%	4.96%
	b) Sales (Sales to related parties / Total Sales)	1.36%	0.69%
	c) Loans & advances (Loans & advances given to related parties / Total loans & advances)*	0.18%	0.06%
	d) Investments (Investments in related parties / Total Investments made)	26.23%	24.45%

*On standalone basis.

#Considered only loans given to related parties.

Note: For more details on related parties transactions, please refer Notes to Standalone Financial Statements 'Disclosure of transactions with related parties as required by Ind AS 24' at page number 289 of this Report.

Leadership Indicators**1. Awareness programmes conducted for value chain partners on any of the principles during the financial year:**

Total number of awareness programmes held	Topics/Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
Please refer note below		

Notes:

- BFL Group strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources. BFL Group carries out awareness and training programmes for its value chain partners (especially agents and other intermediaries), depending on the business needs, stakeholder feedback and regulatory requirements covering various topics.
- BFL and BHFL have a Board approved Code of Conduct policy for its Debt Recovery Agents (DRA), Direct Marketing Agents (DMA) and Direct Selling Agents (DSA). BFL has made CoC acceptance and acknowledgement mandatory for all agents and agencies for accessing our Mobility App.
- BFL Group has enacted Suppliers' Code of Conduct which forms part of the service agreements with vendors/suppliers. This requires suppliers to acknowledge and comply with our policies and procedures as a condition of engagement.
- In November 2022, BFL got its DRA training accreditation from Indian Institute of Banking and Finance (IIBF). BFL has invested in online DRA training infrastructure for agents. After completion of online training, agents appear for a DRA certification test conducted by IIBF. As on 31 March 2025, more than 34,000 participants are DRA certified. We have over 110 facilitators, including more than 70 CAIIB-certified professionals whose profiles have been approved by the Indian Institute of Banking & Finance for delivering DRA training for BFL.
- BFL Group has incorporated ESG linked commitments into vendor contracts.
- BFL conducted an awareness series for the stakeholders through social media channel to create awareness on ESG matters and encouraged them to uphold the same, as applicable.

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2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes. BFL Group has zero tolerance towards unethical business practices and ensures adherence to relevant principles including in relation to conflict of interest. BFL Group has put in place adequate measures and procedures to ensure that no conflict of interest arises involving members of the Board.

- Every Director on the Board is required to make disclosure of his/her interest or concern in other entities (under Section 184 of the Companies Act, 2013) and the parties to which such Director is related (under Section 2(76) of the Companies Act, 2013 and other laws applicable). Such disclosure is required to be made as and when a director attends the first Board Meeting after his/her appointment on the Board and thereafter at every first Board Meeting held in a financial year as well as within 30 days from any change in the disclosure previously given by such Director.
- Director, if interested or concerned in any transaction(s) or arrangement(s) to be entered into by the Company, does not participate in the discussion and approval of the transaction.
- BFL and BHFL have a separate Code of Conduct ('CoC') for Directors and Senior Management which states that 'Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement'. The said CoC requires them to not to engage in any business relationship or activity, which conflicts with their duties towards the Company. All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2025. A declaration to this effect signed by the Managing Director forms a part of this Annual Report.
- BFL and BHFL have also put in place necessary mechanisms and have formulated a Policy on Dealing with Related Party Transactions, keeping in view the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. This Policy provides a framework to ensure proper identification, approval, and subsequent modification of Related Party Transactions.
- In addition to the above, BFL Group's CoEPC covers potential areas where conflict of interest may be encountered. It also provides specific guidelines on avoiding and dealing with possible conflicts of interest and the requirement to disclose potential conflicts of interest by employees.

Link: <https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes>

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

Essential Indicators

- 1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.**

	FY2025	FY2024	Details of improvements in environmental and social impacts
R&D	-	-	Please refer note below
Capex	47%	40%	

Note: BFL Group is engaged in financial services businesses. The portion of its revenue and capital expenditure that directly contributes to improve the environment and make a social impact largely revolves around its expenses on Information technology whereby the entire business cycle and customer interaction is facilitated technologically resulting in reducing paperwork and costs that otherwise would have been incurred in physical interactions.

- 2. a) Does the entity have procedures in place for sustainable sourcing? (Yes/No)**

- b) If yes, what percentage of inputs were sourced sustainably?**

BFL Group provides financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods.

BFL Group's activities are limited to providing financial solutions to serve the needs of the people. BFL Group nurtures a culture of conservation of resources and encourages innovations that aid in reducing the dependence on natural resources.

Wherever feasible, BFL Group strives to incorporate sustainable sourcing in its operations and ensures that energy efficiency standards are considered during the purchase of electronic equipment such as lighting devices, AC's etc. BFL's data centres are certified under Environmental Management System.

Recycled paper turns yesterday's waste into today's resource and offers a greener alternative to traditional paper production. Supporting a sustainable future and healthier planet, BFL Group has procured over 86% of recycled A4 Printing paper.

Additionally, BFL Group has incorporated ESG related clauses in the vendor contracts as applicable.

- 3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the BFL Group operations, E-waste and Battery waste are considered to be the material type of waste.

Accordingly, BFL Group disposes E-waste and Battery waste through registered vendors and receives the certificate of disposal or recycling from them. During the year, E-waste of 34.24 Metric Tonnes and 92.74 Metric Tonnes of Battery waste has been disposed of or recycled in a scientific and eco-friendly manner.

- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

Given the business operations of BFL Group, the same is not applicable.

P1

Leadership Indicators

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1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format:

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
Given the business operations of BFL Group, there are no material products or services offered by the entity that qualify for Life Cycle Perspective / Assessments (LCA).					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
NA		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material	
	FY2025	FY2024
Recycled A4 Printing paper as % of Total Printing Paper	86.39%	79.74%

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2025			FY2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
E-waste	-	25.90	8.34	-	22.51	-
Plastics (including packaging)	Given the business operations of BFL Group, the same is not significant and hence is not tracked.					
Hazardous Waste						
Other waste (Battery waste)	-	86.50	6.24	-	19.35	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Given the business operations of BFL Group, the same is not applicable.	

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

Essential Indicators

1. a) Details of measures for the well-being of employees:

	% of employees covered by										
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity benefits*		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
				Permanent employees							
Male	60,128	60,128	100%	60,128	100%	NA	NA	60,128	100%	60,128	100%
Female	3,964	3,964	100%	3,964	100%	3,964	100%	NA	NA	3,964	100%
Total	64,092	64,092	100%	64,092	100%	3,964	100%	60,128	100%	64,092	100%
				Other than Permanent employees							
Male	40,929	40,929	100%	40,929	100%	NA	NA	NA	NA	Nil	Nil
Female	3,721	3,721	100%	3,721	100%	3,721	100%	NA	NA	Nil	Nil
Total	44,650	44,650	100%	44,650	100%	3,721	100%	NA	NA	Nil	Nil

*The female /male employees can avail maternity/paternity leave as per extant instructions in line with Government of India guidelines.

b) Details of measures for the well-being of workers:

	% of workers covered by										
Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
				Permanent workers							
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
				Other than Permanent workers							
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format -

	FY2025*	FY2024
Cost incurred on well-being measures as a % of total revenue of the Company	0.10%	0.13%

*Includes Maternity and Paternity benefits.

P1 **2. Details of retirement benefits, for Current FY and Previous Financial Year.**

	FY2025			FY2024		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/ N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/ N.A.)
Benefits						
PF	100	NA	Yes	100	NA	Yes
Gratuity*	100	NA	Yes	100	NA	Yes
ESI	100	NA	Yes	100	NA	Yes
NPS*	100	NA	Yes	100	NA	Yes
Superannuation*	100	NA	Yes	100	NA	Yes

Note 1: Represents benefits provided to all the employees who are eligible/have opted for the said retirement benefits.

Note 2: Data pertains to Permanent employees.

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

*The amount is not deducted from salary.

P3 **3. Accessibility of workplaces**

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

BFL Group has adopted Code of Ethics and Personal Conduct (CoEPC) which promotes equal employment opportunity and non-discrimination along with mutual respect. Additionally, BFL Group through its Equal Employment Opportunity and Non-discrimination policy and Employee Charter – Human Rights Statement prohibits any kind of discrimination against any persons with disabilities in any matter related to employment as per the Right of Person with Disabilities Act. Some of BFL's offices and branches are designed to ensure accessibility for differently abled employees. Additionally, 380+ branches and offices are equipped with wheelchairs, and 3,100+ branches are equipped with magnifying glass to foster an inclusive environment.

P4 **4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

Yes. BFL Group has adopted Code of Ethics and Personal Conduct (CoEPC) which promotes equal employment opportunity and non-discrimination along with mutual respect.

Additionally, BFL Group has adopted Equal Employment Opportunity and Non-Discrimination policy in accordance with the provisions of the Rights of Persons with Disabilities Act, 2016 and provides a framework and commitment towards the empowerment of persons with disabilities.

BFL Group through its Employee Charter – Human Rights Statement prohibits discrimination against any person with disability in any matter related to employment.

As enshrined in the 'Responsible and Sustainable Business Conduct Policy', BFL Group provides equal opportunities at the time of recruitment as well as during employment irrespective of age, sex, colour, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, disease (viz. HIV/AIDS) or any other status of individuals.

These policies promote an environment where everyone in the Company gets an equal opportunity to excel and grow in accordance with the individual's ability and suitability to perform in his/her area of work.

The above policies are available on our website : [Bajaj Finance Investor Relations – Policies and Codes](#)

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99.92%	86.59%	NA	NA
Female	100%	70.21%	NA	NA
Total	99.92%	85.53%	NA	NA

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

Yes/No (If Yes, then give details of the mechanism in brief)	
Permanent Employees	Yes. BFL Group strives to create a culture which is fair, open, and transparent and where employees can openly present their views. BFL Group transparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance, and other processes with all employees in a non-discriminating manner. BFL Group has a Board approved Disciplinary Action Policy (DAP) and Board delegated Disciplinary Action Committee (DAC) to address the grievances of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. BFL Group has zero tolerance towards any non-compliance of these principles. BFL Group has 'Code of Ethics and Personal Conduct' (CoEPC), 'Whistle-Blower', 'Prevention of Sexual Harassment' and 'Mind Your Behaviour' framework serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation. Additionally, the "Own My Branch" (OMB) programme exemplifies BFL's innovative approach to connecting leadership with employees across its extensive branch network. By facilitating interaction between senior management and branch employees, the OMB program bridges the gap between the head office and regional branches. Each leader is tasked with overseeing two to three branches quarterly, ensuring a seamless execution of leadership vision and fostering trust among employees. Further, BFL has a dedicated helpline number for employees to report their concerns.
Other than Permanent Employees	Yes. BFL Group strives to create a culture which is fair, open, and transparent and where employees can openly present their views. BFL has a Board approved Disciplinary Action Policy (DAP) for Fixed Term Contract Employees (FTCEs) to address their grievances. It enables employees to work without fear of prejudice, gender discrimination and harassment. BFL has zero tolerance towards any non-compliance of these principles. BFL has 'Code of Ethics and Personal Conduct' (CoEPC), 'Whistle-Blower', and 'Prevention of Sexual Harassment' frameworks serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation. Further, BFL has a dedicated helpline number for employees to report their concerns.
Permanent Workers and Other than Permanent Workers	NA

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

P1 **7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:**

Category	FY2025			FY2024		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (D)	% (D/C)
Total Permanent Employees	BFL Group does not have any employee trade union and is not engaged or involved in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'.					
Male						
Female						
Total Permanent Workers	NA					
Male						
Female						

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

P3 **8. Details of training given to employees and workers:**

Category	Total (A)	FY2025				Total (D)	FY2024			
		On Skill Upgradation		On Health and Safety			On Skill Upgradation*		On Health and Safety*	
		No.	%				No.	%		
		(B)	(B/A)	No. (C)	(C/A)		(E)	(E/D)	No. (F)	(F/D)
Employees										
Male	60,128	57,576	95.76%	59,028	98.17%	50,564	45,713	90.41%	46,318	91.60%
Female	3,964	3,780	95.36%	3,782	95.41%	3,248	2,705	83.28%	2,984	91.87%
Total	64,092	61,356	95.73%	62,810	98.00%	53,812	48,418	89.98%	49,302	91.62%

*Includes training provided to employees who left the Company during FY2024.

Note: Data for FY2025 pertains to Permanent employees.

Workers

	FY2025	FY2024
Male		
Female		NA
Total		

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

P4 **9. Details of performance and career development reviews of employees and worker:**

Category	FY2025			FY2024		
	Total (A)*	No.(B)	% (B/A)	Total (C)*	No.(D)	% (D/C)
Employees						
Male	51,960	51,960	100%	45,413	45,413	100%
Female	3,359	3,359	100%	2,902	2,902	100%
Total	55,319	55,319	100%	48,315	48,315	100%
Workers						
Male						
Female						NA
Total						

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

Note: Data pertains to Permanent employees.

*Eligible employees count due for annual performance review.

10. Health and safety management system:**a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes. In FY2025 BFL has implemented occupational health and safety management system (ISO 45001:2018) for our head corporate office.

Through its "[Employee Health and Safety Manual](#)" and EHS Policy, BFL is committed to provide a safe and healthy workplace to its employees by minimising the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace.

BFL Group trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills for employees. Corporate offices and branch offices are assessed in regards with the electrical systems safety, fire safety, building stability, working conditions, emergency exits, hygiene and sanitation, ventilation, first aid box etc. BFL has nominated fire marshals at selected locations and has a dedicated healthcare centre for corporate office employees. Physical and mental well-being of the employees is at the core of BFL Group's human resource practices. BFL Group sends periodic internal communication and alerts to employees and conducts various awareness sessions on health and safety related aspects.

For more information, please refer to Human Capital Management section of ESG Report: link <https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance>

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

BFL conducts safety audits/assessments on a periodic or on a need basis wherein parameters related to fire safety, housekeeping, electrical safety, and emergency preparedness are assessed.

c) Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

Yes. BFL Group is engaged in financial services businesses which do not require services of workers. For its employees, BFL has a dedicated Central Emergency Service Desk (CESD) helpline portal which is available 24x7. They can use this portal to register any work-related incidents or hazard and risks.

d) Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/ No)

Yes. BFL Group has insured its employees under group term insurance, health insurance and accidental insurance policies. For more information, please refer to section on 'Human Capital Management' section of ESG report at link <https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance>

11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2025	FY2024
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees*	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees*	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees*	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees*	Nil	Nil
	Workers	NA	NA

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

*Currently, tracking is in place for Permanent employees.

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Refer 10(a) above.

P1 **13. Number of Complaints on the following made by employees and workers:**

P2		FY2025			FY2024		
P3		Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
P4							
P5							
P6	Working Conditions	Nil	Nil	-	Nil	Nil	-
P7	Health & Safety	Nil	Nil	-	Nil	Nil	-

P8 **14. Assessments for the year:**

P9

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	Please refer note below
Working Conditions	

Note: BFL Group strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees. Selected offices across BFL are internally assessed periodically through internal assessments for various aspects of health and safety measures.

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant corrective actions pertaining to above-mentioned parameters was necessitated by BFL Group during the year under review.

Leadership Indicators

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

- A. **Employees** - Yes. BFL Group extends various financial support and compensatory packages in the event of death of an employee regardless of whether death occurred during work or otherwise. Some of these include one-time lumpsum payment from iCare fund (for enrolled employees), full month's pay, Group Term Life insurance assured amounts, employment opportunity to immediate family member of the deceased employee (if required), etc.

Additional details with respect to the same are provided in 'Human Capital Management' section of ESG report at <https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance>

- B. **Workers** - NA, BFL Group is engaged in financial services businesses which do not require services of workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

BFL Group is committed to foster responsible and sustainable business practices across its value chain partners, tailored to their capacities and resources. To uphold this commitment, BFL employs various measures to ensure that its high-risk value chain partners fulfil their statutory obligations by deducting and remitting dues. These measures encompass contractual agreements, rigorous reviews, audits/assessments of value chain partners, and seeking confirmations of compliance, all adapted to the specific nature of the products or services provided.

P1
P2
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P7
P8
P9

- 3. Provide the number of employees/ workers having suffered high consequence work-related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been/ are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2025	FY2024	FY2025	FY2024
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

- 4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)**

Yes. BFL has retirement policy which aims to define terms of retirement for employees and the conditions for subsequent engagement opportunities with the Company. BFL Group invests significant time and resources in the training and development of its employees, help them stay ahead of latest trends and technology. With such trainings, most employees are skilled and tend to be employable upon retirement / termination.

- 5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Please refer note below
Working Conditions	

Note: BFL Group expects and influences all its value chain partners to follow extant regulations, including health and safety practices and working. Further, BFL has an outsourcing compliance framework that is used for the evaluation and assessment of vendors basis the scoring model. Accordingly, select high-risk category corporate vendors were categorised and assessed as per the outsourcing compliance framework.

- 6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

BFL has a detailed vendor audit checklist as part of its outsourcing compliance framework that is designed to undertake risk assessment of the vendor. Basis the assessment, vendors are classified as satisfactory, improvement opportunity, and needs improvement.

P1 **PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.**

P2 **Essential Indicators**

P3 **P4 1. Describe the processes for identifying key stakeholder groups of the entity.**

P5 Individuals or a group of individuals, agencies, institutions who are interested or impacted by the activities of the group's business and vice versa now or in the future are identified as a key stakeholder by the BFL Group. The key stakeholders thus identified are customers, investors, lenders, depositors, government, shareholders, regulators, value chain partners, employees, and society.

P6 BFL Group understands the impact of its policies, decisions, products and services, and associated operations on the key stakeholders. In line with its policies, practices, and processes, BFL Group engages with its stakeholders and strives to resolve differences with them in a fair, equitable and consistent manner and where warranted takes corrective measures.

P7 BFL Group also engages with relevant stakeholders for enhancing sustainable and responsible business practices.

P8 **2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	No	Multiple channels including – - Quarterly investors' presentations and calls - Annual General Meeting - Press releases - Disclosures on stock exchanges - Participation in investor conferences - Investors' grievance cell - Social Media - Website - Emails/letters, etc.	- Annual and Quarterly - Need based	To inform about the performance, major developments, ESG initiatives and other relevant updates regarding BFL Group.
Customer	Yes - Women - Senior Citizen	Multiple channels including: - Customer satisfaction surveys - Customer feedback - Regular interaction with customers - Customer helpline - Customer grievance cell - Social Media channels - Email/SMS - Website/App	- On-going - Need based	Servicing across the lifecycle of the customer, redressal to queries/ grievances that the customer may have, VOCs and surveys, product/ service offerings, ESG initiatives and periodic communication to provide update on various lifecycle events over digital channel.
Government and Regulators	No	Multiple channels including: - Regulatory filings - Compliance statements - Meetings, audits - Letters - E-mails	- Periodic - Need based	To provide recommendations or feedback on draft policies, status on adherence to regulatory compliance, and make representations on various subjects before regulators and associations for advancement and improvement of financial services industry in India.

		Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
P1					
P2					
P3					
P4	Stakeholder Group				
P5	Employees	Yes	Multiple channels including:	- On-going - Need based	To create a thriving, safe and inclusive workplace for its employees and provide merit-based opportunities for professional development and growth. Additionally, periodic communication to employees on Company's initiatives, policies and awareness.
P6		Women	ESAT survey		
P7		Person(s) with Disability	- Human Resources Contact Centre (HRCC) - HR pulse assessments - Townhall – "Confluence" - Performance appraisals, Rewards and recognition - Trainings, Awareness, Emails - OMB - Employee engagement initiatives		
P8	Value Chain Partner	No	Multiple channels including:	- On-going - Need based	To strengthen collaboration, enhance overall value delivery, and to build strategic, mutually beneficial partnerships across the value chain.
P9			- In-person meetings - Emails - Performance discussions - Trainings/awareness programmes - Policies and processes - Audits - Periodical meets/ conferences – "Samvaad", "Grahak Sampark"		
	Society	Yes	Multiple channels including:	- On-going - Need based	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.
			- Media and Press Releases - Annual Reports - CSR initiatives - Financial inclusion		

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

BFL Group to the extent considered necessary and permitted by regulations, ensures transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information.

Engagement with stakeholders is a continuous process, as part of BFL Group's business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement.

The Board of Directors are updated on various developments arising out of such engagement and they provide their guidance / inputs on such matters. Through various committees, the Board receives regular updates on feedback from stakeholders, including but not limited to:

- The Company's Board-level Customer Service Committee
- The Corporate Social Responsibility Committee of the Board
- The Risk management committee of the Board
- The Board approved ESG Committee

P1 As a matter of full transparency, BFL communicates key strategies of its Long-Range Strategy which
P2 is a 5-year rolling plan with various stakeholders through Investor Presentations, Annual Report,
P3 townhalls with dealers, distributors and employees, and Annual General Meeting presentation. Bajaj
P4 Finserv recently held its first ever Investor Day, where we presented a five year Long-Range Strategy
P5 for its Group Companies. This event marked a key moment in outlining the Company's future plans and
growth trajectory.

P6 **2. Whether stakeholder consultation is used to support the identification and management of**
P7 **environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs**
P8 **received from stakeholders on these topics were incorporated into policies and activities of the entity.**

P9 Yes. The Company personnel interact with key stakeholders to understand the evolution and relevance of
ESG topics, their impact, and expectations from the Company. Based on such interactions, Over the last
few years BFL has, enhanced it's reporting on business responsibility and started certain new initiatives.
BFL Group believes that it is still learning the evolving aspects of ESG and lays significant importance on
such interactions.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of
vulnerable/ marginalised stakeholder groups.**

BFL has identified women (customer and employees), persons with disabilities (customer and employees),
senior citizens customers and local communities as vulnerable and marginalised stakeholder. Below are
the key initiatives and actions taken:

- **Spectrum Policy** - Provides several benefits to women employees relating to safety, cab facility, travel policy, flexible working hours, preferential transfer policy, maternity-linked benefits, crèche benefits, etc.
- **Empowering Women** - We have identified women empowerment as a key focus area, disbursing loans totalling more than ₹ 120,000 crore during last 3 years.
- **Elderly Assistance** - Higher Fixed Deposit (FD) rates for senior citizens - additional interest of 0.40%. Till date approximately 9.7 lakh FDs placed.
- **Women-led Branches** - One of the most notable steps we have taken is the launch of Women-led Branches, within our gold loans department. Since April 2023, we have appointed 146 women branch managers entrusted with key responsibilities. This initiative marks a significant stride towards gender diversity and workplace inclusion.
- **Financial Literacy** - In FY2025, BFL launched its Financial Literacy Programme in rural areas of Rajasthan, Uttar Pradesh, and Bihar. The programme was thoughtfully designed to build awareness on key financial topics, including the importance of financial planning, digital payments, fraud prevention, and insurance. To date, the initiative has positively impacted over 4,300 individuals, equipping them with essential financial knowledge.
- Some of BFL's corporate and branch offices have ramps for easy movement of differently abled people.
- We are committed to equal employment opportunities and strictly prohibit discrimination based on age, sex, disability, and other personal characteristics. Our dedication to inclusivity is reinforced in our Equal Employment Opportunity and Non-discrimination Policy.
- BFS Group (Bajaj Finserv Limited and its subsidiaries) companies through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons. With the guidance of our Board-governed Corporate Social Responsibility (CSR) policy, the BFS Group remains committed to creating value for marginalised communities, through its well-structured programs, contributing to their well-being and sustainable development.

PRINCIPLE 5: Businesses should respect and promote human rights.**Essential Indicators****1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

Category	FY2025			FY2024		
	Total (A)	No. of employees / workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	64,092	56,991	88.92%	53,782	51,737	96.20%
Other than permanent*	44,650	0	0%	30	0	0%
Total Employees	108,742	56,991	52.41%	53,812	51,737	96.14%
Workers						
Permanent	NA	NA	NA	NA	NA	NA
Other than permanent	NA	NA	NA	NA	NA	NA
Total Workers	NA	NA	NA	NA	NA	NA

NA: BFL Group is engaged in financial services businesses which do not require the services of workers.

*Majority FTCEs were onboarded in Q4 FY2025, and they will be included in all mandatory compliance trainings at BFL starting next year.

Note: Any employee who works in any BFL Group must adhere to its commitment to integrity and ensure the principles laid down in CoEPC which amongst other things includes principles of mutual respect, privacy, equal opportunities and non-discrimination, health, safety and environment, prevention of sexual harassment.

Our commitment to employees' rights is enshrined in the [Employee Charter - Human Rights Statement](#) of BFL Group- which sets out what employees can reasonably expect from the Company (Employee Rights) and the responsibilities and qualities that are expected from them while performing their duties (Employee Responsibilities). It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, prohibition of forced and child labour, transparency, safe, healthful and harassment-free workplace, amongst others.

BFL runs ESG awareness programs for its employees to create awareness on ESG initiatives for its employees through use of social media as well as internal communication channels.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2025					FY2024				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Employees										
Permanent										
Male	60,128	Nil	Nil	60,128	100%	50,547	125	0.25%	50,422	99.75%
Female	3,964	Nil	Nil	3,964	100%	3,235	3	0.09%	3,232	99.91%
Other than Permanent										
Male	40,929	20,886	51.03%	20,043	48.97%	17	NA	NA	NA	NA
Female	3,721	1,736	46.65%	1,985	53.35%	13	NA	NA	NA	NA
Workers*										
Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Other than Permanent										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

*BFL Group is engaged in financial services businesses which do not require services of workers.

P1 **3. Details of remuneration/salary/wages**

P2 **a) Median remuneration / wages:**

	Male		Female	
	Number	Median remuneration/ salary/wages of respective category (₹ in crore)	Number	Median remuneration/ salary/wages of respective category (₹ in crore)
BoD – Whole-time Director/ Executive Director ^{^*}	2	40.71	0	0
BoD – non-executive Directors ^{^*}	8	0.95	1	0.96
Key Managerial Personnel ^{^*}	2	8.48	0	0
Employees other than BoD and KMP [#]	70,241	0.07	4,640	0.07
Workers	NA	NA	NA	NA

*Data pertains to BFL only.

[^]The above remuneration is inclusive of fair value of options granted as per black Scholes model.

[#]Data pertains to Permanent employees of BFL Group

NA: BFL Group is engaged in financial services businesses which do not require services of workers.

P7 **b) Gross wages paid to females as % of total wages paid by the entity, in the following format:**

	FY2025	FY2024
Gross wages paid to females as % of total wages	6.48%	5.90%

Data pertains to Permanent employees.

P8 **4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)**

Yes.

P9 **5. Describe the internal mechanisms in place to redress grievances related to human rights issues.**

While BFL Group aims to not have a situation that leads to any grievance; should such a situation arise, BFL Group has a well-defined grievance redressal mechanism for its employees which are governed through CoEPC, employee charter, disciplinary action, whistle-blower and vigil mechanism policies. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation. Additionally, BFL has dedicated channels such as Human Resource Contact Centre (HRCC), HR Pulse connects and Central Emergency Service Desk (CESD) wherein all the grievances, emergencies and incidents can be reported.

BFL Group regards respect for human rights as one of its fundamental and core values and strives to support, protect, and promote human rights to ensure that fair and ethical business and employment practices are followed.

BFL Group has a Board approved Disciplinary Action Policy (DAP) and Board delegated Disciplinary Action Committee (DAC) to address the grievances of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. BFL Group has zero tolerance towards any non-compliance of these principles.

BFL Group believes that every workplace shall be free from violence, harassment, intimidation and/or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, BFL Group has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. BFL Group also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological, or verbal abuse. As a matter of policy, BFL Group does not hire any employee or engage with any agent or vendor against their free will.

Across the BFL Group, Designated Ethics Officer at each Company deals with the issues of the respective Company. BFL Group employees must promptly report any violation of this Code to their Manager and to the Ethics Officer.

6. Number of Complaints on the following made by employees and workers:

	FY2025			FY2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	10	1	-	9	3	Pending complaints have been resolved by 24 April 2024
Discrimination at workplace	0	0	-	0	0	-
Child Labour	0	0	-	0	0	-
Forced Labour/ Involuntary Labour	0	0	-	0	0	-
Wages	0	0	-	0	0	-
Other human rights related issues	0	0	-	0	0	-

Note: To prevent and address POSH cases, the Company conducted mandatory training for all employees via digital campaigns, classroom sessions, 'Respectful, Inclusive & Safe Work Environment Awareness Series (RISE)', and OMB, enriched with real-life case studies to enhance awareness.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2025	FY2024
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	10	9
Complaints on POSH as a % of female employees / workers	0.18%	0.34%
Complaints on POSH upheld	9*	6

*Pertains exclusively to the complaints raised in FY2025.

Note: Complaints pending resolution in FY2024 were resolved by 24 April 2024.

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by CoEPC, Employee Charter, Disciplinary Action, Whistle-Blower and Vigil mechanism policies. BFL Group prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the Code of Ethics and Personal Conduct of the Company which includes aspects of discrimination and harassment.

It is the duty of every employee to report instances of possible CoEPC violations that they are aware of. At BFL Group, sharing a possible concern about the Code, honestly and in good faith, even if it turns out to be unfounded – is never an excuse for any kind of retaliation. The Ethics Officers will ensure CoEPC investigations are conducted in a fair and confidential manner and that there will not be any adverse impact on employees who highlight possible CoEPC violations in good faith.

BFL Group also prohibits retaliation for using any of BFL's complaint reporting procedures, if made in good faith, or for filing, testifying, assisting, or participating in any investigation conducted by a government enforcement agency.

- P1 **9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)**
- P2 Yes. BFL Group appreciates the inherent, universal, indivisible, inalienable and interdependent nature of
- P3 human rights.
- P4 BFL Group has a Suppliers' Code of Conduct and adheres to the same, that emphasises the importance
- P5 of human rights. This Code sets clear expectations for suppliers to respect and uphold fundamental
- P6 human rights throughout their operations. It outlines specific guidelines to ensure that labour practices are
- P7 ethical, safe, and non-discriminatory, promoting fair treatment and dignity for all individuals involved in the
- P8 supply chain.
- P9 Accordingly, BFL Group has included ESG specific clauses and reference of Suppliers' Code of Conduct,
- which covers the general human rights parameters in the vendor contracts.

10. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	BFL Group expects and strives to influence its employees to adhere and respect human rights values and principles. BFL through its Own My Branch (OMB) program interacts with employees at branches to assesses any work and human rights related issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.

Based on its ongoing reviews of human resource practices, BFL Group did not find any significant risk/ concerns in the above areas during the year under review and accordingly no corrective actions were warranted.

Leadership Indicators

1. Details of a business process being modified/ introduced as a result of addressing human rights grievances/ complaints.

There have been no significant human rights grievances/ complaints warranting modification/ introduction of business processes. However, we have instituted Suppliers' Code of Conduct, CoEPC, Employee Charter policy that outlines our commitment to Human Rights.

2. Details of the scope and coverage of any Human rights due diligence conducted.

BFL Group has a robust mechanism to track human rights related queries and grievances raised by the employees. All complaints raised are tracked and considered for timely resolution. In addition, BFL Group expects and strives to influence its stakeholders to adhere to the same values, principles and business ethics upheld by BFL Group in all their dealings.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

BFL Group has over the years made a conscious effort to digitize its customer service framework. The Group has made considerable headway in minimising in-person customer interactions. It has mapped the entire lifecycle of the customer interactions and made available all possible customer requests, such as, soft copy of agreements, repayment schedules, yearly interest certificates, statements of accounts, loan closure and no dues certificates, release of hypothecation and mortgages, deposit receipts, etc., in a digital mode. These service requests being fulfilled digitally obviate the need for customer visits to BFL offices.

Some of BFL's offices and branches are designed to ensure accessibility for differently abled visitors. Additionally, 380+ branches and offices are equipped with wheelchairs, and 3,100+ branches are equipped with magnifying glass to foster an inclusive environment.

4. Details on assessment of value chain partners:

% of value chain partners (by value of business done with such partners) that were assessed

Sexual Harassment

Discrimination at workplace

Child Labour

Forced Labour/Involuntary Labour

Wages

Others – please specify

Please refer note below

Note: As per our service provider audit process, the Company has set metrics and processes for assessing high and medium risk category on these parameters. BFL Group expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by BFL Group in all their dealings. No specific assessment in respect of value chain partners has been carried out, other than certain elements covered in annual review of processes and controls of select high-risk category corporate value chain partners by the Company.

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

BFL has a detailed vendor audit checklist as part of its outsourcing compliance framework that is designed to undertake risk assessment of the vendor. Basis the risk assessment, audit findings are classified as satisfactory, critical, non-critical and improvement opportunity.

P1 **Principle 6: Businesses should respect and make efforts to protect and restore the environment.**

P2 **Essential Indicators**

P3 **1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

P4	P5	P6	Parameter	Unit of Measurement	FY2025	FY2024
P7			From renewable sources			
P8			Total electricity consumption (A)	Gigajoules	733.05	2,155.51
P9			Total fuel consumption (B)	Gigajoules	-	-
			Energy consumption through other sources (C)	Gigajoules	-	-
			Total energy consumed from renewable sources (A+B+C)	Gigajoules	733.05	2,155.51
			From non-renewable sources			
			Total electricity consumption (D)	Gigajoules	175,325.97	145,867.16
			Total fuel consumption (E)	Gigajoules	64,803.22	47,834.12
			Energy consumption through other sources (F)	Gigajoules	-	-
			Total energy consumed from non-renewable sources (D+E+F)	Gigajoules	240,129.19	193,701.28
			Total energy consumed (A+B+C+D+E+F)	Gigajoules	240,862.24	195,856.78
			Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	Gigajoules per crore of consolidated total revenue from operations	3.45	3.56
			Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Gigajoules per crore of consolidated total revenue from operations adjusted for PPP	71.37	79.79
			Energy intensity in terms of physical output (Total energy consumed / Average FTE)	Gigajoules per average FTE	3.44	4.04
			Energy intensity (optional) - (Total energy consumed / Consolidated total loan portfolio)	Gigajoules per crore of consolidated total loan portfolio	0.59	0.60

Note: For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

Given the nature of business of BFL Group, the same is not applicable.

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY2025	FY2024
Water withdrawal by source (in kiloliters)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated Water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)	-	-
Total volume of water consumption (in kiloliters)	856,861.65	573,814.06
Water intensity per rupee of turnover (Total water consumption / Revenue from operations in crore)	12.29	10.44
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations in crore adjusted for PPP)	253.89	233.77
Water intensity in terms of physical output (Total water consumption / Average FTE)	12.22	11.84
Water intensity (optional) – (Total water consumption / Consolidated total loan portfolio in crore)	2.10	1.76

Notes:

- The quantity of water (in litres) per employee derived from the available data is in line with CGWA Guidelines- "Estimation of Water Requirement for Drinking and Domestic Use" which provides for "45 litres per person per working day".
- Total water consumption is derived considering total average head count, total working days and water requirement per person per working day as specified in point a.
- For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

Yes. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

4. Provide the following details related to water discharged:

Parameter	FY2025	FY2024
Water discharge by destination and level of treatment (in kiloliters)		
(i) To Surface water	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

Note: Currently we do not monitor water discharge.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency:

Yes. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

Zero liquid discharge is not applicable to BFL Group given the nature of its business.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY2025	FY2024
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)	Please refer note below		
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-Please specify			

Note: As a financial services company, air emissions from our operations are not significant. However, we do monitor our GHG emissions which have been appropriately disclosed in this Report.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent limited assurance has been carried out by SGS India Private Limited for FY2025.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY2025	FY2024
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	6,169.13	4,784.59
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	35,483.10	28,908.06
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent per crore of consolidated total revenue from operations	0.60	0.61
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Metric tonnes of CO ₂ equivalent per crore of consolidated total revenue from operations adjusted for PPP	12.34	13.73
Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emission / Average FTE)	Metric tonnes of CO ₂ equivalent per average FTE	0.59	0.69
Total Scope 1 and Scope 2 emission intensity (optional) (Total Scope 1 and Scope 2 GHG emission / Consolidated total loan portfolio)	Metric tonnes of CO ₂ equivalent per crore of consolidated total loan portfolio	0.10	0.10

Note: For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

8. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details.

Yes. BFL remains committed to implement meaningful and system-driven changes to reduce the greenhouse gas (GHG) intensity of its operations. BFL has undertaken various projects on environmental sustainability such as:

- Reducing Paper Consumption: It has been an endeavour of BFL over last many years to keep reducing paper consumption across all its business operations.
- Rooftop Solar Power Generation: BFL is endeavouring to reduce its GHG emissions pertaining to its office activities through installation of rooftop solar power generation capacity. Till date Rooftop solar power plants with an installed capacity of over 620 KW has been commissioned.
- BFL has replaced inter office travel shuttles with 20 Electric Vehicles (EVs).
- BFL is making a significant transformation in its business operations through its 'Omnichannel Strategy' which enables customer with various Do-it-anywhere and Do-it-yourself options for servicing and buying needs thereby reducing the need for travel, resulting in saving in GHG emissions. In FY2025, BFL has seen a decline in walk-ins owing to the increasing digital presence.
- BFL Group has planted more than 545,000 saplings till date.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY2025 (in Metric tonnes)	FY2024 (in Metric tonnes)
Total waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	34.24	22.51
Bio-medical waste (C)	0.02	-
Construction and demolition waste (D)	-	-
Battery waste (E)	92.74	19.35
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any (G)	-	-
Other Non-hazardous waste generated (H). Please specify if any (Break-up by composition i.e by materials relevant to the sector)	-	-
Total (A+B+C+D+E+F+G+H)	127.00	41.86
Waste intensity per rupee of turnover (Total waste generated / Revenue from operations in crore)	0.0018	0.0008
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations in crore adjusted for PPP)	0.038	0.017
Waste intensity in terms of physical output (Total waste generated / Average FTE)	0.002	0.001
Waste intensity (optional) (Total waste generated / Consolidated total loan portfolio in crore)	0.0003	0.0001
For each category of waste generated, total waste recovered through recycling-using or other recovery operations (in metric tonnes)		
Category of waste		
(i) Recycled	112.40	41.86
(ii) Re-used	-	-
(iii) Other recovery operations	14.58	-
Total	126.98	41.86

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Parameter	FY2025 (in Metric tonnes)	FY2024 (in Metric tonnes)
For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
Category of waste		
(i) Incineration	0.004	-
(ii) Landfilling	-	-
(iii) Other disposal operations (Safe disposal)	0.018	-
Total	0.022	-

Notes:

- The categories of waste generated, and their treatment bifurcation are provided below:
 - Battery waste: A total of 92.74 metric tonne of waste was generated, of which 86.50 metric tonne was recycled and 6.24 metric tonne was safely disposed of for FY2025.
 - E-waste: A total of 34.24 metric tonne of waste was generated, of which 25.90 metric tonne was recycled and 8.34 metric tonne was safely disposed of for FY2025.
 - Bio-Medical Waste: A total of 22.07 kg of waste was generated, of which 4.24 kg was incinerated, 17.43 kg was autoclaved/shredded, and 0.40 kg was disinfected/mutilated for FY2025.
- For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your Company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

Given the nature of the business, there is no usage of hazardous and toxic chemicals by BFL Group companies. BFL Group has systems in place to manage E-waste, Battery waste and engages with certified waste handlers for disposal.

34.24 Metric Tonnes of E-waste and 92.74 Metric Tonnes of Battery waste generated has been handed over to authorised vendors in FY2025. BFL Group has received green, and re-cycling certificates from the respective E-waste and Battery waste handlers.

11. If the entity has operations/ offices in/ around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/ clearances are required, please specify details in the following format:

Sr. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
			NA

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web-link
					NA

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Sr. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
	BFL Group is in compliance with all relevant environmental norms applicable to the nature of its business.			

Leadership Indicators

1. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

- (i) Name of the area
- (ii) Nature of operations
- (iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY2025	FY2024
Water withdrawal by source (in kilolitres)		
(i) Surface water		
(ii) Groundwater		
(iii) Third party water		
(iv) Seawater/desalinated Water		
(v) Others		
Total volume of water withdrawal (in kiloliters) (i+ii+iii+iv+v)		
Total volume of water consumption (in kiloliters)		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional)-the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kiloliters)		
(i) Into Surface water		
No treatment -		
With treatment - please specify level of treatment		
(ii) Into Groundwater		
No treatment -		
With treatment - please specify level of treatment		
(iii) Into Seawater		
No treatment -		
With treatment - please specify level of treatment		
(iv) Sent to third parties		
No treatment -		
With treatment - please specify level of treatment		
(v) Others		
No treatment -		
With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

Given the nature of business, the same is not relevant

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent limited assurance has been carried out by SGS India Private Limited for FY2025.

P1 **2. Please provide details of total Scope 3 emissions & its intensity, in the following format:**

P2	Parameter	Unit	FY2025	FY2024
P3	Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	20,452.05	15,292.23
P4	Total Scope 3 emissions per rupee of turnover (Total Scope 3 GHG emissions / Revenue from operations)	Metric tonnes of CO ₂ equivalent per crore of consolidated total revenue from operations	0.29	0.28
P5	Total Scope 3 emission intensity in terms of physical output Total Scope 3 emission intensity - (Total Scope 3 GHG emission / Average FTE)	Metric tonnes of CO ₂ equivalent per average FTE	0.29	0.32
P6	Total Scope 3 emissions per crore of consolidated Total Loan Portfolio Total Scope 3 emission intensity - (Total Scope 3 emission / Consolidated total loan portfolio)	Metric tonnes of CO ₂ equivalent per crore of consolidated total loan portfolio	0.05	0.05

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. An independent limited assurance has been carried out by SGS India Private Limited for FY2025.

3. With respect to the ecologically sensitive areas reported at Question 11 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.

Not Applicable.

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/ effluent discharge/ waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Rooftop Solar Installation	Rooftop solar at total of 7 locations, with a total capacity of over 620 KW.	Resulting in avoidance of over 145 tCO ₂ e during FY2025.
2.	EV Shuttle	20 environment friendly Electric Vehicles (EVs) for inter-office shuttle services, significantly reducing air pollution and improving local air quality.	Traveling around 4.5 lakh kilometres and completing around 1.8 lakh trips during FY2025 avoiding ~52 tco ₂ e.
3.	Tree Plantation	To restore the environment, promote biodiversity, and mitigate climate change, BFL Group spearheaded a tree plantation initiative that has seen the successful planting of more than 200,000 saplings during the year.	Making a cleaner environment by absorption of Carbon Dioxide.
4.	Digitalisation	Through various initiatives, BFL Group in the last three years, reduced consumption by over 610 crore sheets of paper.	Saving around 7.3 lakh trees over the last three years.
5.	Recycling/Safe disposal of E-waste and Battery waste	BFL Group is dedicated to ensuring that none of its waste ends up in landfills and is fully committed to recycling/safely disposing all E-waste and Battery waste.	Resulting in avoidance of 126.98 tonnes of waste in landfill during FY2025.

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5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web-link.

Yes. BFL has a business continuity strategy and framework (in the form of IT BCP, Operations BCP and Premises BCP) which is also compliant with applicable regulatory requirements and includes disaster management protocols. BCP envisages likely disruptive events, their probability and their impact on business operations which is assessed through business impact analysis. It aims to eliminate or minimise any potential disruption to critical business operations. It also includes Disaster Recovery (DR) procedures to quickly recover from an emergency. Annual BCP and DR drills are conducted to ensure that they are effective under the present business processes, infrastructure, personnel, etc.

6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.

BFL Group expects and influences all its value chain partners to follow extant environment regulations as may be applicable to them. Further, BFL periodically creates awareness amongst value chain partners about importance of environment.

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.

Currently, we do not assess environmental impacts for our value chain partners. However, we encourage our value chain partners to proactively align their business operations to environmental best practices.

8. How many Green Credits have been generated or procured:

- a) By the listed entity – Nil
- b) By the top ten (in terms of value of purchases and sales, respectively) value chain partners – Not Assessed

P1 **PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so**
P2 **in a manner that is responsible and transparent.**

P3 **Essential Indicators**

P4 **1. a) Number of affiliations with trade and industry chambers/ associations.**

P5 BFL through its parent company i.e. BFS is a member of 2 trade and industry chambers/ associations.
P6 Additionally, BFSL, a wholly-owned subsidiary of BFL is a member of Bombay Stock Exchange
P7 Brokers' Forum (BBF) and Association of Mutual Funds of India (AMFI). It proactively contributes to
P8 the discussions and resolutions within the scope of these forums.

P9 **b) List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.**

Sr. No.	Name of the trade and industry chambers/associations	Company Name	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry (CII)	BFS	National
2	World Economic Forum	BFS	International
3	Bombay Stock Exchange Brokers' Forum (BBF)	BFSL	National
4	Association of Mutual Funds of India (AMFI)	BFSL	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of Authority	Brief of case	Corrective action taken
Please refer note below		

Note: BFL Group had no adverse orders from any regulatory authorities relating to anticompetitive activities. Hence, no corrective action was necessitated by the Group during the year under review.

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web-Link, if available
Please refer note below					

Note: BFL proactively shares its views on formulating new industry standards or regulatory developments pertaining to the NBFC sector. In doing so, the Company strives to balance the interest of various stakeholders. BFL engages regularly with Government agencies and Regulators and remain steadfastly committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc. as and when required. During such interactions, the Company also discusses areas of focus and concerns.

BFL's participation in the public and regulatory policy development process encompasses providing suggestions on draft notifications, and interactions with various bodies / regulators on matters significant to the industry and the society at large. BFL also gives recommendations from time to time, to various regulators in the larger interest of the industry.

Additionally, BFS Group is a member of various trade and industry chambers, associations, councils, and such other collective platforms ('forums'). It proactively contributes to various discussions and resolutions within the scope of these forums. BFS is a member of the World Economic Forum and CII, through which it actively engages in policy advocacy.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.**Essential Indicators**

- 1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year:**

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web-link
NA					

- 2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:**

Sr. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
NA						

- 3. Describe the mechanisms to receive and redress grievances of the community.**

The BFL Group has various mechanisms to receive and redress grievances of various stakeholders. Additionally local community can share their concerns for BFL at bflcommunitygrievance@bajajfinserv.in. All submissions received through this email are reviewed and handled by the relevant department in compliance with applicable laws and regulations.

- 4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

	FY2025	FY2024
Directly sourced from MSMEs/ small producers	4.57%	7.16%
Directly from within India	99.38%	99.63%

Note: Data reported on standalone basis. Numbers for FY2024 restated accordingly.

- 5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost.**

Location	FY2025	FY2024
Rural	3.17%	1.50%
Semi-urban	13.04%	9.37%
Urban	23.36%	25.10%
Metropolitan	60.43%	64.03%

Note 1: Locations are categorised as per RBI Classification System - rural / semi-urban / urban / metropolitan.

Note 2: Above data pertains to Permanent employees.

Leadership Indicators

- 1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
NA	

P1 **2. Provide the following information on CSR projects undertaken by your entity in designated**
P2 **aspirational districts as identified by government bodies:**

	Sr. No.	State	Aspirational District	Amount spent (In INR)*
P3	1	Andhra Pradesh	Visakhapatnam	1,760,000
P4	2	Assam	Udalguri	11,673,144
P5	3	Bihar	Gaya	2,995,288
P6	4	Jharkhand	Ranchi	1,876,000
P7	5	Kerala	Wayanad	20,000,000
P8	6	Maharashtra	Gadchiroli	25,170,517
P9	7	Maharashtra	Nandurbar	3,420,816
	8	Maharashtra	Osmanabad	1,161,450
	9	Maharashtra	Washim	579,390
	10	Odisha	Dhenkanal	1,668,069
	11	Odisha	Gajapati	3,259,461
	12	Rajasthan	Dhaulpur	899,902
	13	Rajasthan	Jaisalmer	928,421
	14	Rajasthan	Karauli	870,874
	15	Rajasthan	Sirohi	59,540

*The amount mentioned is for the project which runs for a span of period as per the agreed terms.

- 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)**
- (b) From which marginalised /vulnerable groups do you procure?**
- (c) What percentage of total procurement (by value) does it constitute?**
Not Applicable.

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

Sr. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
		NA		

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
No corrective actions pertaining to above mentioned parameters was necessitated by BFL Group during the year under review.		

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR project	% of beneficiaries from vulnerable and marginalised groups
1	Child - Education	557,065	Please refer note below
2	Child - Health	59,904	
3	Child - Physical and Intellectual Disabilities	490,225	
4	Child - Prevention of Mortality	435,050	
5	Child - Protection	70,066	
6	Others - Advocacy	6,210	
7	Others - Education	260	
8	Others - Environment	1,000	
9	Others - Mental Health	13,200	
10	Others - PWD	23,176	
11	Youth - Livelihood initiatives	73,749	
12	Youth - PWD - Skilling	20,341	
13	Youth - Skilling for employment	150,975	
14	Youth - Skilling for enterprise/Self-employment	29,590	

Note: The number of beneficiaries is represented for the entire project life cycle and not for the financial year. Additionally, all the CSR projects are undertaken for vulnerable and marginalised groups.

P1 **PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a**
P2 **responsible manner.**

P3 **Essential Indicators**

P4 **1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

P5 BFL has a well-defined grievance redressal mechanism covering all products and services offered. There
P6 are multiple self-help and assisted channels available to customers for redressal of their queries. All
P7 customer queries received across all channels are recorded in the BFL Customer relationship management
P8 system and customers are updated on the resolution provided.

P9 There is an escalation hierarchy basis which the customers can escalate to the next level. The details of
the various channels and the escalation hierarchy is displayed on Company website, App and branches.

Further, in line with RBI guidelines, the Company has incorporated the role of an Internal Ombudsman, who
is an independent authority to review the grievances raised by customers.

BFL has in place a dedicated team (Complaint Root Cause Resolution Unit- CRCR) to ensure continuous
study and solutioning of customer complaints. The prime objective of the team is to reduce customer
issues through a combination of data analysis, customer interactions and there by identifying root causes.

For FY2025, BFL has received over 1.65 crore responses from its customers and achieved a CSAT score of
97%.

**2. Turnover of products and/ services as a percentage of turnover from all products/ service that
carry information about:**

As a percentage to total turnover

Environmental and social
parameters relevant to the
product

Transparency and fairness in dealings with customers is followed across BFL
Group. None of the products withhold any relevant information needed by the
customers to make informed decisions.

Safe and responsible usage

Recycling and/or safe
disposals

3. Number of consumer complaints in respect of the following:

	FY2025			FY2024		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0	-	0	0	-
Advertising	0	0	-	0	0	-
Cyber- security	0	0	-	0	0	-
Delivery of essential services	0	0	-	0	0	-
Restrictive Trade practices	0	0	-	0	0	-
Unfair Trade practices	0	0	-	0	0	-
Others	5,917	7	4 pending complaints have been resolved by 29 April 2025	6,876	15	Pending complaints have been resolved by 24 April 2024

P1
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P9

Some of the initiatives in this regard are:

- BFL Group, through its charters and policies etc, communicate customer rights, Company's commitments, grievance redressal mechanism and ombudsman scheme, as applicable. These policies and communications emphasise our commitment to fair practices by maintaining transparency in products and services offered.
- Dedicated customer complaint reduction units are in place, to review the grievance redressal mechanism under oversight of the Boards of respective material subsidiaries.
- Customer grievances are also reviewed with focus on identification of root cause, corrective action plans and customer service initiatives.

4. Details of instances of product recalls on account of safety issues.

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		NA

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes. BFL Group has adopted an information security framework to establish, implement, monitor, and constantly improve its information security posture. We focus on privacy of customer information and data security. The Company has 'Data Privacy Policy' in place, same is available on the website of the Company and is applicable to all its subsidiaries. BFL is compliant with ISO 27001:2013 Information security management system. BFL Group is compliant with the applicable regulatory framework and guidelines. BHFL is compliant ISO 27001: 2022 Information security management system. For more details, please refer to section on "Information security, cyber security and fraud controls" section of the [ESG report](#).

6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.

No penalties or regulatory action has been levied or taken on the above mentioned parameters.

7. Provide the following information relating to data breaches:

- Number of instances of data breaches - 0**
- Percentage of data breaches involving personally identifiable information of customers - 0**
- Impact, if any, of the data breaches - Not Applicable.**

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web-link, if available).

BFL Group envisages to be an omnipresent financial company which will enable its existing and new customer to engage, transact and be serviced online to offline and vice versa. Information relating to various financial services provided by the BFL Group is available on the website <https://www.bajajfinserv.in/>.

Further, please refer to 'Management Discussion and Analysis' section at page number 28 of this Report.

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

As a responsible corporate, it is imperative to not just do business with customers, but also educate them and make them more aware of what could be good or bad for them, frauds, addressing their questions on financial products, etc.

P1 BFL Group has mechanisms to inform customers on usage of products and services offered. Continuous
P2 and contextual communication across the customer lifecycle through – press releases, yearly customer
P3 engagements, Company website and blogs, social media campaigns, use of video content, feature based
P4 audio-visual content for ease of understanding, etc. have helped us educate and create awareness
amongst our customers and society at large.

P5 Further, please refer to ‘Customer Obsession’ section of ESG report at [https://www.aboutbajajfinserv.com/](https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance)
P6 [impact-environmental-social-and-governance](https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance)

P7
P8 **3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

P9 Technology enabled seamless customer experience has been the hallmark of our businesses. Each business is unique and so is its approach towards enhancing customer experience. But the core objectives that tie them together and stay the same are simplification of processes, ease of use and quick and appropriate response. In the current technology age, information security, cyber security, and fraud controls have become extremely critical. The need for robust control over these areas find a dominant place in our information technology framework. These controls obviate disruptions and security threats endangering loss of customer data and disruption in business operations.

In line with the RBI regulation, the Company shall give ninety days advance notice in newspaper before reallocation or closure of branch office.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/ No/ Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Transparency and fairness in dealings with customers is followed across BFL Group. None of the products withhold any relevant information needed by the customers to make informed decisions. The BFL Group through its charters, policies, etc. communicate the customer rights, Company commitments, grievance redressal mechanism and ombudsman scheme, as applicable which emphasise our commitment to fair practices by maintaining transparency in products and services offered.

The Company undertakes a CSAT (Customer Satisfaction) survey at various touchpoints to gauge the customer experience. Monitoring transactional customer satisfaction (CSAT) scores across all channels for multiple service interactions enables BFL Group to review the effectiveness of its customer engagement initiatives.

Annexure: Indicative List of Policies

Sr. No.	Principle wise Policies	NGRBC Principles								
		1	2	3	4	5	6	7	8	9
1	Responsible and Sustainable Business Conduct Policy [#]	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Environmental Policy [#]	✓	✓		✓		✓		✓	✓
3	Code of Conduct to regulate, monitor and report trading by designated persons*	✓								
4	Fair practices code*	✓			✓					✓
5	Prevention of Sexual harassment at workplace (Prevention, Prohibition & Redressal) [#]	✓		✓		✓				
6	Disciplinary action and grievance redressal Policy [#]	✓		✓		✓				
7	Code of Conduct for DSAs/DMA/Recovery Agents*	✓				✓				✓
8	Code for independent directors*	✓								
9	Policy for dealing with Frauds*	✓								✓
10	Information Security Management policy – Payments Systems*	✓								✓
11	Cyber security policy*	✓								✓
12	Data Privacy Policy [#]	✓								✓
13	Outsourcing policy*	✓								✓
14	Vigil mechanism / whistle-blower policy [#]	✓		✓		✓				
15	Know Your Customer Policy [#]	✓								✓
16	Corporate Social Responsibility (CSR) Policy [#]	✓			✓				✓	
17	Policy for inquiry in case of leak or suspected leak of Unpublished Price Sensitive Information*	✓								
18	Code of practices and procedures for fair disclosure and unpublished price sensitive information (UPSI) [#]	✓								
19	Policy on Materiality of and dealing with Related Party Transactions [#]	✓								
20	Policy for determination of materiality for disclosure of events or information [#]	✓								
21	Interest Rate Policy [#]	✓								✓
22	Policy on 'Fit and proper' criteria for directors*	✓								
23	Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors [#]	✓								
24	Code of Ethics and Personal Conduct [#]	✓		✓		✓				
25	Mind Your Behaviour*	✓		✓		✓				
26	Equal Employment opportunity and Non-Discrimination [#]	✓		✓		✓				
27	Corporate Communication Policy*	✓								✓
28	Employee Charter – Human Rights [#]	✓		✓	✓					✓
29	IJP policy*			✓						
30	Auto Promotion Policy*			✓						
31	Recognition Policy*			✓						
32	iCare Policy*			✓						
33	Employee and parental insurance policy*			✓						
34	Creche policy*			✓						
35	Staff welfare & team engagement policy*			✓						
36	Fortnightly salary advance*			✓						
37	Money on call*			✓						
38	Dividend Distribution Policy [#]	✓			✓					

Sr. No.	Principle wise Policies	NGRBC Principles								
		1	2	3	4	5	6	7	8	9
39	Board Diversity Policy*	✓								
40	Fraud Detection Policy*	✓			✓					✓
41	Corporate Audit Services (CAS) – Risk Based Internal Audit (RBIA) Policy Document*	✓								
42	Grievance Redressal Mechanism*	✓			✓	✓				✓
43	Internal Ombudsman SOP*	✓								✓
44	Customer Protections & Grievance Redressal Policy for Prepaid Payment Instruments (PPIs)*	✓			✓					✓
45	Sustainable Business Strategy Framework*	✓			✓					✓
46	Policy for Monitoring End-Use of Funds*	✓								✓
47	Record maintenance and retention policy*	✓								✓
48	Risk Management Policy*	✓								
49	Investment and Market Risk Policy*	✓								
50	Asset Liability Management Policy*	✓								
51	Business Continuity Management Policy *	✓								✓
52	Policy on dealing in securities of Group Companies*	✓								
53	Remuneration policy#	✓		✓		✓				
54	Password procedure policy*	✓		✓						
55	Online Security*	✓		✓	✓					✓
56	Business Continuity Policy – Operations*	✓								
57	Compliance Policy*	✓								
58	Corporate Governance Policy#	✓								
59	Framework for Corporate Governance in Subsidiary companies*	✓								
60	Institutional mechanism for prevention of insider trading*	✓								
61	Internal Capital Adequacy Assessment Process Policy (ICAAP)*	✓								
62	Policy for compensation of Key Managerial Personnel and SMT*	✓								
63	Retirement Policy*			✓						
64	Code of conduct for directors and senior management#	✓								
65	Information Security policy*	✓								✓
66	Information technology policy*	✓								✓
67	IT outsourcing policy*	✓								✓
68	Information and cyber security policy for insurance platform*	✓								✓
69	Cyber Crisis Management Policy*	✓								✓
70	Incident Management Plan*	✓								✓
71	IS Audit Policy*	✓								✓
72	Information Security Management Systems Change Management*	✓								✓
73	Liquidity Risk Management Framework*	✓								
74	Policy for Appointment of Statutory Auditors#	✓								
75	Policy on Preservation of Documents*	✓								✓
76	IT Asset Disposal Policy*						✓			
77	Policy on levy of Fees & Charges to customers*	✓								✓
78	Distance Learning Program Policy*			✓		✓				
79	Employee cares fund*	✓		✓		✓				
80	Group Digital Media Governance Policy for Employees*	✓		✓						

Sr. No.	Principle wise Policies	NGRBC Principles								
		1	2	3	4	5	6	7	8	9
81	Performance Management Policy*	✓		✓		✓				
82	Social Media Governance Policy*	✓								
83	Spectrum Policy*	✓		✓		✓				
84	Spouse Working as Consultant Policy*	✓		✓		✓				
85	Environment, Health and Safety (EHS) Manual#	✓		✓		✓	✓			
86	Leaders as trainer policy*			✓						
87	Celebration Framework*			✓						
88	Certified Trainer Policy*			✓						
89	Code of Conduct Policy*	✓		✓		✓				
90	Higher Education Policy*			✓						
91	Job Rotation Policy*	✓								
92	Interest Rate Risk and Currency Risk Hedging Policy*	✓								
93	Resource Planning Policy*	✓								
94	Policy on the manner of soliciting and servicing insurance products*	✓								✓
95	Operational Risk Management Policy*	✓								
96	Information Security Management Systems-Cloud Operations Policy and Procedure*	✓								
97	Suppliers' code of conduct#	✓	✓		✓	✓				
98	Financial Prudence Policy "Mind your finances" *	✓		✓						
99	Environment, Health, and Safety (EHS) Policy*	✓		✓		✓	✓			

*Internal Document

#Accessible to Public

INDEPENDENT ASSURANCE STATEMENT

Independent Assurance Statement to Bajaj Finance Limited on its Business Responsibility and Sustainability Reporting (BRSR) for the FY 2024-25

The Board of Directors,

Bajaj Finance Limited,

4th Floor, Bajaj Finserv Corporate office,
off Pune Ahmednagar Road, Viman Nagar,
Pune- 411014

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Bajaj Finance Limited (the 'Company' or 'BFL') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Report') pertaining to the reporting period of April 1, 2024, to March 31, 2025. SGS India has conducted a Reasonable level of assurance for BRSR core parameters and a Limited level of assurance for the remaining BRSR parameters, including essential and leadership indicators and all disclosures made thereunder. This assurance engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410".

Reporting Framework

The Report has been prepared following the

- 1) BRSR Core-Framework for assurance and ESG disclosures for value chain (SEBI vide Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122) dated July 12, 2023
- 2) BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023, and as amended from time to time
- 3) Greenhouse Gas Protocol standard
- 4) Industry Standards on Reporting of BRSR Core (SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177) dated December 20, 2024

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Bajaj Finance Limited's Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the Management of the Company. SGS India has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance w.r.t BRSR core parameters under 9 ESG Attributes and a Limited level of assurance for the remaining BRSR principles, including essential and leadership indicators. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000(revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information). Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Bajaj Finance Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period April 1, 2024, to March 31, 2025. The reporting scope and boundaries include Bajaj Finance Limited and its 2 subsidiaries viz., Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFSL) offices spread across the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core KPIs, BRSR non-core indicators and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the BRSR core KPIs and BRSR non-core indicators.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the BRSR core KPIs and BRSR non-core indicators.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion."
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

Findings and Conclusions

BRSR Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the Core Indicators (Annexure A) is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR requirements.

BRSR Non-Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the essential and leadership indicators (as per the table below) reported in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria.

The list of BRSR Indicators that were verified within this assurance engagement is given below:

Principles	Limited	Limited	Reasonable
	Essential Indicators	Leadership Indicators	Core Indicators
Section A	General Disclosures		
Section B	Management and process disclosures		
Section C			
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1,2,3,4,5,6,7	1, 2	8,9
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1,2,3,4	1,2,3,4,5	-
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1(a)(b),2,3,4,5,6,7,8,9,10,12,13,14,15	1,2,3,4,5,6	1(c),11
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.	1,2	1,2,3	-
Principle 5: Businesses should respect and promote human rights.	1,2,3(a),4,5,6,8,9,10,11	1,2,3,4,5	3(b),7
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	2,5,6,8,10,11,12,13	1,2,3,4,5,6,7,8	1,3,4,7,9
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1,2	1	-
Principle 8: Businesses should promote inclusive growth and equitable development.	1,2,3	1,2,3,4,5,6	4,5
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	1,2,3,4,5,6	1,2,3,4	7

For and on behalf of SGS India Private Limited

Ashwini K. Mavinkurve,

Technical reviewer
Head – ESG & Sustainability Services, SGS India
Pune, India
12th June ,2025

Blessy Sen

Lead Verifier – ESG & Sustainability Services, SGS India
Pune, India
Team Members: Abhijit M. Joshi

Annexure A

Sr. No.	Attribute	Parameter	Unit of Measures	Assured Values
1	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard	Total Scope 1 emissions	Metric Tonnes (MT) of CO ₂ e	6,169.13
		Total Scope 2 emissions	MT of CO ₂ e	35,483.10
		Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted (Total Scope 1 and Scope 2 GHG emissions / revenue from operations)	MT of CO ₂ e per crore of consolidated total revenue from operations	0.60
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	MT of CO ₂ e per crore of consolidated total revenue from operations adjusted for PPP	12.34
		Total Scope 1 and Scope 2 emission intensity in terms of physical output (Total Scope 1 and Scope 2 GHG emission / average FTE)	MT of CO ₂ e per average FTE	0.59
		Total Scope 1 and Scope 2 emission intensity (optional) (Total Scope 1 and Scope 2 emission / consolidated total loan portfolio)	MT of CO ₂ e per crore of consolidated total loan portfolio	0.10
2	Water footprint	Total volume of water consumption	Kiloliters (KL)	856,861.65
		Water intensity per rupee of turnover (Total water consumption / Revenue from operations)	KL per crore of consolidated total revenue from operations	12.29
		Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	KL per crore of consolidated total revenue from operations adjusted for PPP	253.89
		Water intensity in terms of physical output (Total water consumption / average FTE)	KL per average FTE	12.22
		Water intensity (optional) (Total water consumption / consolidated total loan portfolio)	KL per crore of consolidated total loan portfolio	2.10
		Water Discharge by destination and levels of Treatment	KL	Not Reported
3	Energy footprint	Total energy consumed	Gigajoules (GJ)	240,862.24
		% of energy consumed from renewable sources	In % terms	0.30%
		Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	GJ per crore of consolidated total revenue from operations	3.45
		Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	GJ per crore of consolidated total revenue from operations adjusted for PPP	71.37
		Energy intensity in terms of physical output (Total energy consumed / average FTE)	GJ per average FTE	3.44
		Energy intensity (optional) (Total energy consumed / consolidated total loan portfolio)	GJ per crore of consolidated total loan portfolio	0.59
4	Embracing circularity - details related to waste management by the entity	E-waste	MT	34.24
		Bio-medical waste	MT	0.02
		Battery waste	MT	92.74
		Total waste generated	MT	127.00
		Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	MT per crore of consolidated total revenue from operations	0.0018
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	MT per crore of consolidated total revenue from operations adjusted for PPP	0.038
		Waste intensity in terms of physical output (Total waste generated / average FTE)	MT per average FTE	0.002
		Waste intensity (optional) (Total waste generated / consolidated total loan portfolio)	MT per crore of consolidated total loan portfolio	0.0003

Sr. No.	Attribute	Parameter	Unit of Measures	Assured Values
		Total waste recovered through recycling, re-using or other recovery operations		
		(i) Recycled	MT	112.40
		(ii) Re-used	MT	-
		(iii) Other recovery operations	MT	14.58
		Total	MT	126.98
		Total waste disposed by nature of disposal method		
		(i) Incineration	MT	0.004
		(ii) Landfilling	MT	-
		(iii) Other disposal operations (Safe disposal)	MT	0.018
		Total	MT	0.022
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred on well-being measures as a % of total revenue of the company	In % terms	0.10%
		Details of safety related incidents for employees and workers	Number of Permanent Disabilities	Nil
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Nil
			No. of fatalities	Nil
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	6.48%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	10
			Complaints on POSH as a % of female employees / workers	0.18%
			Complaints on POSH upheld	9
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers	As % of total purchases by value	4.57%
		Input material sourced from following sources as % of total purchases – within India	As % of total purchases by value	99.38%
		Job creation in smaller towns – Wages paid to persons employed in smaller towns as % of total wage cost	Rural	3.17%
			Semi-urban	13.04%
			Urban	23.36%
			Metropolitan	60.43%
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0
		Number of days of accounts payable	(Accounts payable *365) / Cost of goods/ services procured	18.56
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties	Purchases from trading houses as % of total purchases	Nil
		Loans and advances & investments with related parties	Number of trading houses where purchases are made from	Nil
			Purchases from top 10 trading houses as % of total purchases from trading houses.	Nil
			Sales to dealers / distributors as % of total sales	Nil
			Number of dealers / distributors to whom sales are made	Nil
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil
			Share of RPTs (as respective %age) in -	
			Purchases	3.57%
			Sales	1.36%
			Loans & Advances	0.18%
			Investments	26.23%

GHG ASSURANCE STATEMENT

Bajaj Finance Limited

4th Floor, Bajaj Finserv Corporate office,
off Pune Ahmednagar Road, Viman Nagar,
Pune- 411014

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Bajaj Finance Limited (the ‘Company’ or ‘BFL’) to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope 1, Scope 2 and Scope 3 pertaining to the reporting period of 1st April 2024 to 31st March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted a Reasonable level of assurance for Scope 1 & Scope 2 and a Limited level of assurance for Scope 3 data. This assurance engagement was conducted in accordance with the “International Standard on Assurance Engagements (ISAE) 3410”.

SGS India verified the following parameters given in the Table below:

Scope 1 and Scope 2 Data

Locations	Actual emission (tCo2e)	
	Scope 1	Scope 2
Bajaj Finance Limited (BFL)	5,884.13	32,320.76
Bajaj Housing Finance Limited (BHFL)	205.83	2160.11
Bajaj Financial Securities Limited (BFSL)	79.16	1,002.22

Scope 3 Data

Locations	Scope 3 actual emission (tCo2e)
Bajaj Finance Limited (BFL)	18,770.45
Bajaj Housing Finance Limited (BHFL)	1,406.85
Bajaj Financial Securities Limited (BFSL)	274.74

Verification Statement no: BA_ESG_2628073_GHG_V1

Statement Date: 12 June 2025

This Statement is issued, on behalf of Client, by SGS India ("SGS") under its General Conditions for ESG Assurance Services. A full copy of this statement may be consulted at SGS India. This Statement does not relieve Client from compliance with any regulations that applied to it. Stipulations to the contrary are not binding on SGS and therefore SGS shall have no responsibility vis-à-vis parties other than its Client.

This Statement is not valid without the full verification scope, objectives, criteria and findings available on the Statement.

INDEPENDENT ASSURANCE STATEMENT

Independent Assurance Statement to Bajaj Finance Limited on its Greenhouse Gas Inventory for FY 24-25

The Board of Directors,

Bajaj Finance Limited

4th Floor, Bajaj Finserv Corporate office,
off Pune Ahmednagar Road, Viman Nagar,
Pune- 411014

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Bajaj Finance Limited (the 'Company' or 'BFL') to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope 1, Scope 2 and Scope 3 pertaining to the reporting period of 1st April 2024 to 31st March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted a Reasonable level of assurance for Scope 1 & Scope 2 and a Limited level of assurance for Scope 3 data. This assurance engagement was conducted in accordance with the "International Standard on Assurance Engagements (ISAE) 3410".

Responsibilities

The information in the report and its presentation are the responsibility of the Management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, calculation, and statements within the defined scope of verification, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific purpose, and it is not intended for use in interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the verification scope.

Assurance Standard

SGS India has conducted Reasonable level assurance for Scope 1 & Scope 2 and Limited level assurance for Scope 3 data. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3410. Our evidence-gathering procedures were designed to obtain a 'Reasonable level of assurance' which involves the underlying assumption that the control environment and controls are reliable.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Bajaj Finance Limited, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance exercise included the evaluation of quality, accuracy, and reliability of the GHG Inventory on Scope 1, Scope 2 and Scope 3 data for the period 1st April 2024 to 31st March 2025. The scope of verification covers the following aspects:

- The reporting scope and boundaries include Bajaj Finance Limited and its 2 subsidiaries viz., Bajaj Housing Finance Limited (BHFL) and Bajaj Financial Securities Limited (BFSL) offices spread across the different states of India and this is aligned with the GHG inventory consolidation approach.

Assurance Methodology

The assurance comprised a combination of pre-assurance research, interaction with the key personnel engaged in the process of developing the company's GHG inventory, on-site visits, and remote desk review & verification of data. Specifically, SGS India executed the following activities:

- Interaction with key personnel from the head office and selected branch locations to understand and review the current processes in place for developing the Company's GHG inventory.
- Assessment of internal control mechanism to ensure the reliability and accuracy of emission data.
- Review of the data management system used for collection and consolidation of emission data.
- Review of consistency of data/information within the GHG inventory and between the inventory and source.
- Evaluation of the appropriateness of the quantification methods used to arrive at the Scope 1, Scope 2 and Scope 3 emissions with respect to the specific requirements of the GHG Protocol
- Assurance of emission data on a sample basis, including conversion factors and emissions factors.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in "Findings and Conclusion."
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Findings and Conclusions

Scope 1 and Scope 2 inventory:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the reporting criteria.

Scope 3 inventory:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information presented by the Company in its report is not prepared, in all material respects, in accordance with the reporting criteria.

SGS India verified the following parameters given in the Table below:

Scope 1 and Scope 2 Data

Locations	Actual emission (tCo2e)	
	Scope 1	Scope 2
Bajaj Finance Limited (BFL)	5,884.13	32,320.76
Bajaj Housing Finance Limited (BHFL)	205.83	2,160.11
Bajaj Financial Securities Limited (BFSL)	79.16	1,002.22
Total Emission	6,169.13	35,483.10

Scope 3 Data

Categories of Scope 3	Actual emission (tCo2e)
Category 1: Purchased Goods and Services	1,319.65
Category 3: Fuel & Energy Related Activities not included in Scope 1 and Scope 2	6,238.41
Category 5: Waste generation in Operations	0.81
Category 6: Business Travel	12,893.18
Total Emission	20,452.05

For and on behalf of SGS India Private Limited

Ashwini K. Mavinkurve,

Technical reviewer
Head – ESG & Sustainability Services, SGS India
Pune, India
12th June ,2025

Blessy Sen

Lead Verifier – ESG & Sustainability Services, SGS India
Pune, India
Team Members: Abhijit M. Joshi

Annexure 2: Mapping United Nations Sustainable Development Goals (UNSDG)

We have mapped our initiatives under the BRSR principles to the United Nations Sustainable Development Goals

Principle 1 :

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



Principle 2 :

Businesses should provide goods and services in a manner that is sustainable and safe.



Principle 3 :

Businesses should respect and promote the well-being of all employees, including those in their value chains.



Principle 4 :

Businesses should respect the interests of and be responsive to all its stakeholders.



Principle 5 :

Businesses should respect and promote human rights.



Principle 6 :

Businesses should respect and make efforts to protect and restore the environment.



Principle 7 :

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



Principle 8 :

Businesses should promote inclusive growth and equitable development.

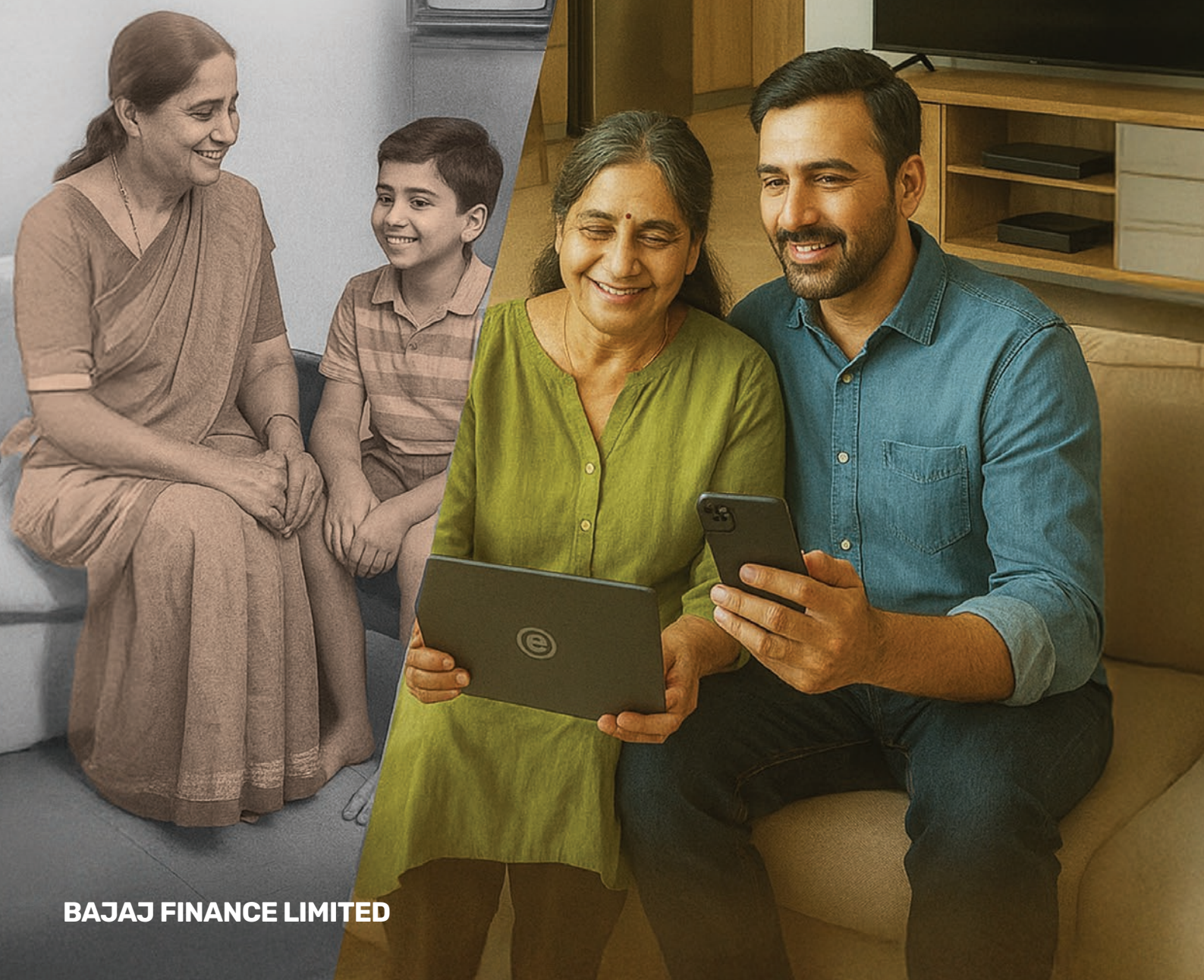


Principle 9 :

Businesses should engage with and provide value to their consumers in a responsible manner.



**From everyday purchases
to the big ones, we've walked this
journey with you.**



STANDALONE FINANCIAL STATEMENTS

Independent Auditor's Report on the Standalone Financial Statements

To the Members of **Bajaj Finance Limited**

Opinion

1. We have jointly audited the accompanying standalone financial statements of Bajaj Finance Limited (the 'Company'), which comprise the Standalone Balance Sheet as at 31 March 2025, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the financial statements, including material accounting policies and other explanatory information (together known as 'standalone financial statements').
2. 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the 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 Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

4. Key audit matters are those matters that, in our professional judgement, 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.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer note no. 9 of the standalone financial statements)

Key audit matter

As at 31 March 2025, the outstanding balances of loans granted by the Company aggregated to ₹ 310,761.52 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 6,402.36 crore.

The impairment loss allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the Management in estimating the expected losses using components of ECL such as Probability of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default (expected balance at default together with expected drawdown from committed lines) ('EAD'), Staging of Loans, etc.

Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-

How our audit addressed the key audit matter

The procedures performed by us included the following:

- Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the:
 - i. Assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, Staging of Loans, etc.;
 - ii. Completeness and accuracy of source data used by the Management in the ECL computation;
 - iii. Approval of changes to ECL methodology and models through the Company's governance framework; and
 - iv. Computation of ECL.
- Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments';

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

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer note no. 9 of the standalone financial statements)

Key audit matter

economic variables to determine expected losses, probability weights applied to reflect future economic conditions, judgement in relation to Management overlays and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation.

In view of the significant Management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.

How our audit addressed the key audit matter

- With the assistance of auditors' experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company;
- Tested, on a sample basis, the completeness and accuracy of the source data used;
- Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company;
- Evaluated the reasonableness of the assumptions and judgements involved in management overlays forming part of the impairment loss allowance, and the related approvals;
- Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter

The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions.

As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.

Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year.

Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.

We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.

How our audit addressed the key audit matter

The procedures performed by us included the following:

- Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting.
- Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company.
- On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains:
 - Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured;
 - User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorised personnel;

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

Information Technology ('IT') Systems and Controls impacting Financial Reporting (Contd.)

Key audit matter	How our audit addressed the key audit matter
	- Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS; - IT operations, which includes job scheduling, monitoring, data backup and recovery; - Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS; • Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/ accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/ or performed alternative audit procedures, where necessary.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the standalone financial statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

6. 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 standalone financial position, standalone financial performance, changes in equity and standalone cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

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

7. 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 Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
8. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the standalone financial statements

9. 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.
10. As part of an audit in accordance with SAs, we exercise professional judgement 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.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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.
11. 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.
12. 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.
13. 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.

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

Other matter

14. The standalone financial statements of the Company for the year ended 31 March 2024, were audited by previous joint auditors under the Act who, vide their joint audit report dated 25 April 2024, expressed an unmodified opinion on those standalone financial statements.

Our opinion on the standalone financial statement is not modified in respect of above matter.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2020 (the 'Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 'B' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors as on 31 March 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025, 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'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 43 to the standalone financial statements;
 - ii. The Company has made provision, as required under the applicable law or Indian Accounting Standards, for material foreseeable losses on long-term contracts including derivative contracts – Refer Note 7 and Note 9 to the standalone financial statements;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year;
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in Note 51 to the standalone financial statements, 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, whether 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.;

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

- (b) The Management has represented that, to the best of its knowledge and belief, as disclosed in the Note 51 to the standalone financial statements, 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, whether 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; and
- (c) Based on such audit procedures that we 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 (a) and (b) contain any material misstatement.

- v. The dividend declared and paid by the Company during the year is in compliance with section 123 of the Act.
- vi. Based on our examination, which included test checks, the Company has used accounting software systems for maintaining its books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software systems. During the course of our audit, we did not notice any instance of audit trail feature being tampered with. Further, the audit trail for the prior financial year has been preserved by the Company as per the statutory requirements for record retention.

17. The Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFBG9004

Pune
29 April 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGC3234

Pune
29 April 2025

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 16(f) of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the standalone financial statements as of and for the year ended 31 March 2025

Report on the internal financial controls with reference to standalone financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. We have jointly audited the internal financial controls with reference to standalone financial statements of Bajaj Finance Limited (the 'Company') as of 31 March 2025 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

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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.
4. 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 standalone financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to standalone financial statements.

Annexure 'A' to the Independent Auditor's Report (Contd.)**Meaning of internal financial controls with reference to standalone financial statements**

6. 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 standalone 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 standalone 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 standalone financial statements.

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

7. 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFBG9004

Pune
29 April 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGC3234

Pune
29 April 2025

Annexure 'B' to the Independent Auditor's Report

Referred to in paragraph 15 of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the standalone financial statements as of and for the year ended 31 March 2025

In terms of the information and explanations sought by us and furnished by the Company, and the books of account and records examined by us during the course of our audit, and to the best of our knowledge and belief, we report that:

- i. (a) (A) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment.
(B) The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The property, plant and equipment of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee), as disclosed in Note 13 to the standalone financial statements, are held in the name of the Company.
- (d) The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the year.
- (e) No proceedings have been initiated on or are pending against the Company for holding benami property under the Prohibition of Benami Property Transactions Act, 1988 (as amended in 2016) (formerly the Benami Transactions (Prohibition) Act, 1988 (45 of 1988)) and Rules made thereunder, and therefore the question of our commenting on whether the Company has appropriately disclosed the details in the standalone financial statements does not arise.
- ii. (a) The Company is engaged primarily in lending activities and consequently does not hold any inventory. Accordingly, reporting under clause 3(ii)(a) of the Order is not applicable to the Company.
- (b) During the year, the Company has been sanctioned working capital limits in excess of ₹ 5 crore, in aggregate from banks on the basis of security of Loans. The Company has filed quarterly returns or statements with such banks which are in agreement with the unaudited books of account. Also, refer Note 53 to the standalone financial statements.
- iii. (a) Reporting under clause 3(iii)(a) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India engaged in the business of granting loans.
- (b) In respect of the loans, investments/securities/advances in nature of the loan, in our opinion, the terms and conditions under which such loans were granted/investments were made/security provided are not prejudicial to the Company's interest.
- (c) In respect of the loans/advances in nature of loan, the schedule of repayment of principal and payment of interest has been stipulated by the Company. Considering that the Company is a non-banking financial company engaged in the business of granting loans to retail and corporate customers for personal use, vehicles purchase, consumer durables, business purpose etc. the entity-wise details of the amount, due date for payment and extent of delay (that has been suggested in the Guidance Note on CARO 2020 issued by the Institute of Chartered Accountants of India for reporting under this clause) have not been reported because it is not practicable to furnish such details owing to the voluminous nature of data generated in the normal course of the Company's business. Further, except for the instances where there are delays or defaults in repayment of principal and/or interest and in respect of which the Company has recognised necessary provisions in accordance with the principles of Indian Accounting Standards (Ind AS) and the guidelines issued by the Reserve Bank of India ('RBI') for Income Recognition and Asset Classification (which has been disclosed by the Company in Note 9 and 56 to the standalone financial statements), the parties are repaying the principal amounts, as stipulated, and are also regular in payment of interest, as applicable.

Annexure 'B' to the Independent Auditor's Report (Contd.)

- (d) In respect of the loans/advances in nature of loans, the total amount overdue for more than ninety days as at 31 March 2025 is ₹ 784.41 crore. In such instances, in our opinion, based on information and explanations provided to us, reasonable steps have been taken by the Company for the recovery of the principal amounts and the interest thereon. Refer Note 9 in the standalone financial statements which includes the gross carrying amount of the loans/advances categorised under Stage 3 as at 31 March 2025.
- (e) Reporting under clause 3(iii)(e) of the Order is not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India engaged in the business of granting loans.
- (f) There were no loans/advances in nature of loans which were granted during the year, including to promoters/related parties that were repayable on demand or without specifying any terms or period of repayment.
- iv. In our opinion, the Company has complied with the provisions of section 185 and sub-section (1) of section 186 of the Act in respect of the loans and investments made and guarantees and security provided by it. The provisions of sub-sections (2) to (11) of section 186 are not applicable to the Company as it is a non-banking financial company registered with the RBI engaged in the business of granting loans.
- v. The provisions of sub-section (1) of section 73 are not applicable to the Company as it is a non-banking financial company registered with the Reserve Bank of India, engaged in the business of giving loans. Further, the Company has accepted any deposits or amounts which are deemed to be deposits referred in sections 73, 74, 75 and 76 of the Act and the Rules framed there under.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of section 148 of the Act for any of the services of the Company. Accordingly, reporting under clause 3(vi) of the Order is not applicable to the Company.
- vii. (a) In our opinion, the Company is regular in depositing the undisputed statutory dues, including 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 other statutory dues, as applicable, with the appropriate authorities.
- (b) The particulars of statutory dues referred to in sub-clause (a) as at 31 March 2025 which have not been deposited on account of a dispute, are as follows:

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	15.24	15.24	FY 1995-96 to FY 2002-03, FY 2006-07 to FY 2007-08 and FY 2011-12 to FY 2013-14	Mumbai High Court
Income Tax Act, 1961	Income Tax	0.04	0.04	FY 1995-96, FY 1996-97 and FY 1998-99	Income Tax Appellate Tribunal (Pune)
Income Tax Act, 1961	Income Tax	40.84	40.84	FY 2015-16, FY 2016-17, FY 2018-19 and FY 2022-23	Commissioner of Income Tax (Appeals)
Finance Act, 1994	Service Tax	2,422.92	2,402.92	April 2010 to June 2017	Customs, Excise and Service Tax Appellate Tribunal

Annexure 'B' to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount involved	Amount unpaid [#]	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service Tax	94.13	91.11	April 2016 to June 2017	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	630.32	620.32	October 2014 to June 2017	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	10.91	10.73	April 2007 to September 2015	Customs, Excise and Service Tax Appellate Tribunal
Finance Act, 1994	Service Tax	4.27	4.17	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	14.13	11.62	July 2017 to March 2020	Goods and Service Tax Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	7.41	6.94	May 22 and June 22	Office of Joint Commissioner, Tamil Nadu
Goods and Service Tax Act, 2017	Goods and Service Tax	21.52	20.37	April 2020 to March 2021	Office of Joint Commissioner, Tamil Nadu
Goods and Service Tax Act, 2017	Goods and Service Tax	0.48	0.3	April 2018 to March 2019	Goods and Service Tax Appellate Tribunal
Goods and Service Tax Act, 2017	Goods and Service Tax	0.36	0.34	July 2017 to March 2018	Office of Joint Commissioner, Delhi
Goods and Service Tax Act, 2017	Goods and Service Tax	0.58	0.55	April 2018 to March 2021	Office of Joint Commissioner, Rajasthan
Goods and Service Tax Act, 2017	Goods and Service Tax	0.81	0.77	April 2019 to March 2020	Office of Joint Commissioner, Bihar
Goods and Service Tax Act, 2017	Goods and Service Tax	0.60	0.57	April 2019 to March 2020	Office of Joint Commissioner, Delhi
Goods and Service Tax Act, 2017	Goods and Service Tax	0.19	0.18	April 2019 to March 2020	Office of Joint Commissioner, Gujarat

Annexure 'B' to the Independent Auditor's Report (Contd.)

Name of the statute	Nature of dues	Amount involved	Amount unpaid [#]	Period to which the amount relates	Forum where dispute is pending
Goods and Service Tax Act, 2017	Goods and Service Tax	0.23	0.22	April 2019 to March 2020	Office of Joint Commissioner, Uttarakhand
Goods and Service Tax Act, 2017	Goods and Service Tax	874.79	874.79	July 2017 to March 2024	Office of the Commissioner (Appeals), Pune
Goods and Service Tax Act, 2017	Goods and Service Tax	0.23	0.23	April 2020 to March 2021	Office of Joint Commissioner, Tamil Nadu
Goods and Service Tax Act, 2017	Goods and Service Tax	0.17	0.17	April 2020 to March 2021	Office of Joint Commissioner, Uttarakhand
Goods and Service Tax Act, 2017	Goods and Service Tax	0.69	0.69	April 2020 to March 2021	Deputy Commissioner of State Tax (Appeals), Gujarat

[#]Net of amount paid under protest

- viii. There are no transactions previously unrecorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest to any lender during the year.
- (b) On the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority.
- (c) In our opinion, the term loans have been applied for the purposes for which they were obtained.
- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been utilised for long-term purposes by the Company.
- (e) On an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries or associates.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries or associate companies.
- x. (a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has made a preferential allotment of shares issued through conversion of warrants during the year, in compliance with the requirements of section 42 and section 62 of the Act. The funds raised have been used for the purpose for which funds were raised.
- xi. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, except for 2,779 instances aggregating ₹ 44.06 crore and for which the Management has taken appropriate steps for recovery of dues, we have neither come across any instance of material fraud by the Company or on the Company, noticed or reported during the year, nor have we been informed of any such case by the Management. Refer note 54Q to the standalone financial statements.

Annexure 'B' to the Independent Auditor's Report (Contd.)

- (b) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, report under section 143(12) of the Act, in Form ADT-4, as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 was not required to be filed with the Central Government. Accordingly, the reporting under clause 3(xi)(b) of the Order is not applicable to the Company.
 - (c) During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, the Company has received whistle-blower complaints during the year, which have been considered by us for any bearing on our audit and reporting under this clause.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the reporting under clause 3(xii) of the Order is not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of sections 177 and 188 of the Act. The details of related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard 24 'Related Party Disclosures' specified under section 133 of the Act.
- xiv.
 - (a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
 - (b) The reports of the Internal Auditor for the period under audit have been considered by us.
- xv. In our opinion, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the reporting on compliance with the provisions of section 192 of the Act under clause 3(xv) of the Order is not applicable to the Company.
- xvi.
 - (a) The Company is required to and has been registered under section 45-IA of the Reserve Bank of India Act, 1934 as a Deposit taking Non-Banking Financial Company.
 - (b) The Company has conducted non-banking financial activities during the year and the Company holds a valid Certificate of Registration from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
 - (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under clause 3(xvi)(c) of the Order is not applicable to the Company.
 - (d) In our Opinion, the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has 18 unregistered CICs as part of the Group. We have not, however, separately evaluated whether the information provided by the Management is accurate and complete.

Annexure 'B' to the Independent Auditor's Report (Contd.)

- xvii. The Company has not incurred any cash losses in the financial year or in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly the reporting under clause 3(xviii) of the Order is not applicable.
- xix. On the basis of the financial ratios, ageing 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 the 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) In respect of other than ongoing projects, as at Balance Sheet date, the Company does not have any amount remaining unspent under section 135(5) of the Act. Accordingly, reporting under clause 3(xx)(a) of the Order is not applicable.
- (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 transferred unspent Corporate Social Responsibility (CSR) amount to a special account, within a period of thirty days as at the Balance Sheet date in compliance with section 135(6) of the said Act.
- xxi. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of standalone financial statements. Accordingly, no comment in respect of the said clause has been included in this report.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFBG9004

Pune
29 April 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGC3234

Pune
29 April 2025

Standalone Balance Sheet

(₹ in crore)

As at 31 March

Particulars	Note No.	2025	2024
ASSETS			
Financial assets			
Cash and cash equivalents	5	3,374.41	3,865.15
Bank balances other than cash and cash equivalents	6	9,080.98	5,567.11
Derivative financial instruments	7	201.97	15.69
Trade receivables	8	1,416.39	1,244.89
Loans	9	304,359.16	243,334.43
Investments	10	41,716.23	37,153.36
Other financial assets	11	2,426.92	1,012.08
		362,576.06	292,192.71
Non-financial assets			
Current tax assets (net)		404.57	254.68
Deferred tax assets (net)	12	1,044.14	926.71
Property, plant and equipment	13	2,531.51	2,212.46
Capital work-in-progress	13	26.74	25.35
Intangible assets under development	13	12.46	17.24
Intangible assets	13	1,043.14	847.47
Other non-financial assets	14	230.94	137.83
		5,293.50	4,421.74
Total assets		367,869.56	296,614.45
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	25.53	0.85
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		1.27	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,119.84	1,000.97
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.42	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		806.19	670.56
Debt securities	16	111,010.88	87,596.09
Borrowings (other than debt securities)	17	89,737.66	69,238.00
Deposits	18	71,365.52	59,966.66
Subordinated liabilities	19	3,103.54	3,577.90
Other financial liabilities	20	1,690.64	1,621.61
		278,861.49	223,673.06

Standalone Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2025	2024
Non-financial liabilities			
Current tax liabilities (net)		54.97	82.71
Provisions	21	464.27	385.23
Other non-financial liabilities	22	493.12	462.92
		1,012.36	930.86
Equity			
Equity share capital	23	124.17	123.60
Other equity	24	87,871.54	71,886.93
		87,995.71	72,010.53
Total liabilities and equity		367,869.56	296,614.45

Summary of material accounting policies

3

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

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Vasant
Partner
Membership number: 101119

Suhas Deshpande
Partner
Membership number: 031787

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

Pune: 29 April 2025

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Standalone Statement of Profit and Loss

(₹ in crore)

For the year ended 31 March

Particulars	Note No.	2025	2024
Revenue from operations			
Interest income	25	51,548.57	40,782.76
Fees and commission income	26	5,640.87	5,007.41
Net gain on fair value changes	27	344.00	138.85
Sale of services	28	18.11	24.05
Income on derecognised (assigned) loans	29	459.02	-
Other operating income	30	1,369.17	985.73
Total revenue from operations		59,379.74	46,938.80
Other income	31	40.10	7.18
Total income		59,419.84	46,945.98
Expenses			
Finance costs	32	18,437.35	13,843.44
Fees and commission expense	33	2,599.79	1,959.08
Impairment on financial instruments	34	7,882.86	4,572.19
Employee benefits expense	35	6,907.28	5,849.47
Depreciation and amortisation expenses	13	821.98	629.13
Other expenses	36	3,638.60	3,039.59
Total expenses		40,287.86	29,892.90
Profit before exceptional items and tax		19,131.98	17,053.08
Exceptional items	37	2,544.11	-
Profit before tax		21,676.09	17,053.08
Tax expense			
Current tax			
Current year		5,353.50	4,436.00
Earlier years		(249.47)	-
Deferred tax (credit)/charge		(89.44)	(27.03)
Total tax expense	12	5,014.59	4,408.97
Profit after tax		16,661.50	12,644.11
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(22.35)	(59.64)
Tax impact on above		5.63	15.01
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(95.49)	151.62
Tax impact on above		25.22	(29.82)
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		122.73	38.74
Tax impact on above		(30.90)	(9.75)
Cash flow hedge reserve		(117.14)	(20.79)
Tax impact on above		29.48	5.24
Cost of hedging reserve		5.99	-
Tax impact on above		(1.44)	-
Total other comprehensive income for the year (net of tax)		(78.27)	90.61
Total comprehensive income for the year		16,583.23	12,734.72

Standalone Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
Earnings per equity share:	38		
(Nominal value per share ₹ 2)			
Basic (₹)		269.33	207.27
Diluted (₹)		268.58	206.47

Summary of material accounting policies

3

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

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman
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Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

Pune: 29 April 2025

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Standalone Statement of Changes in Equity

Equity share capital

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
Balance at the beginning of the year	123.60	120.89
Changes in equity share capital during the year [refer note no. 23(A)]	0.57	2.71
Balance at the end of the year	124.17	123.60

Other equity

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and surplus							Other comprehensive income on				Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Costs of hedging reserve		
Balance as at 31 March 2024	24	26,582.14	33,359.19	10,232.75	790.02	9.25	711.50	(146.51)	10.07	50.18	(8.87)	-	297.21	71,886.93
Profit after tax		-	16,661.50	-	-	-	-	-	-	-	-	-	-	16,661.50
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	(16.72)	91.83	(70.27)	(87.66)	4.55	-	(78.27)
		26,582.14	50,020.69	10,232.75	790.02	9.25	711.50	(163.23)	101.90	(20.09)	(96.53)	4.55	297.21	88,470.16
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	891.33	891.33
Issue of equity share capital		1,188.54	-	-	-	-	-	-	-	-	-	-	(1,188.54)	-
Allotment of shares to ESOP Trust		357.44	-	-	-	-	-	-	-	-	-	-	-	357.44
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934		-	(3,335.00)	3,335.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(2,226.49)	-	-	-	-	-	-	-	-	-	-	(2,226.49)
Share based payment to employees		-	-	-	-	-	377.00	-	-	-	-	-	-	377.00
Transfer on exercise of stock options by employees		151.37	-	-	-	-	(151.37)	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	2.27	-	(2.27)	-	-	-	-	-	-	-
		28,279.49	44,459.20	13,567.75	792.29	9.25	934.86	(163.23)	101.90	(20.09)	(96.53)	4.55	-	87,869.44
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	307.06
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	304.96
Balance as at 31 March 2025	24	28,281.59	44,459.20	13,567.75	792.29	9.25	934.86	(163.23)	101.90	(20.09)	(96.53)	4.55	-	87,871.54

Standalone Statement of Changes in Equity (Contd.)

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note No.	Reserves and surplus							Other comprehensive income on				Money received against share warrants	Total other equity
		Securities premium	Retained earnings	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Costs of hedging reserve		
Balance as at 31 March 2023	24	17,441.11	25,060.48	7,702.75	788.93	9.25	555.46	(101.88)	(18.92)	(71.62)	6.68	-	-	51,372.24
Profit after tax		-	12,644.11	-	-	-	-	-	-	-	-	-	-	12,644.11
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	(44.63)	28.99	121.80	(15.55)	-	-	90.61
		17,441.11	37,704.59	7,702.75	788.93	9.25	555.46	(146.51)	10.07	50.18	(8.87)	-	-	64,106.96
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	297.21	297.21
Issue of equity share capital		8,797.58	-	-	-	-	-	-	-	-	-	-	-	8,797.58
Allotment of shares to ESOP Trust		448.00	-	-	-	-	-	-	-	-	-	-	-	448.00
Share issue expenses		(34.54)	-	-	-	-	-	-	-	-	-	-	-	(34.54)
Transfer to reserve fund in terms of section 45-IC(1) of the RBI Act, 1934		-	(2,530.00)	2,530.00	-	-	-	-	-	-	-	-	-	-
Dividends paid		-	(1,815.40)	-	-	-	-	-	-	-	-	-	-	(1,815.40)
Share based payment to employees		-	-	-	-	-	268.24	-	-	-	-	-	-	268.24
Transfer on exercise of stock options by employees		111.11	-	-	-	-	(111.11)	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	1.09	-	(1.09)	-	-	-	-	-	-	-
		26,763.26	33,359.19	10,232.75	790.02	9.25	711.50	(146.51)	10.07	50.18	(8.87)	-	297.21	72,068.05
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-	-	-	-	-	-	125.94
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	307.06
Balance as at 31 March 2024	24	26,582.14	33,359.19	10,232.75	790.02	9.25	711.50	(146.51)	10.07	50.18	(8.87)	-	297.21	71,886.93

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

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Vasant
Partner
Membership number: 101119

Suhas Deshpande
Partner
Membership number: 031787

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

Pune: 29 April 2025

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Standalone Statement of Cash Flows

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
(I) Operating activities		
Profit before tax	21,676.09	17,053.08
Adjustments for:		
Interest income	(51,548.57)	(40,782.76)
Depreciation and amortisation expenses	821.98	629.13
Impairment on financial instruments	7,882.86	4,572.19
Net loss on disposal of property, plant and equipment and intangible assets	32.86	11.76
Finance costs	18,437.35	13,843.44
Share based payment expenses	353.99	237.66
Net gain on fair value changes	(344.00)	(138.85)
Service fees for management of assigned portfolio of loans	(18.11)	(24.05)
Income on derecognised (assigned) loans	(459.02)	-
Exceptional items	(2,544.11)	-
Dividend income (Previous year ₹ 30,225)	(10.96)	-
	(5,719.64)	(4,598.40)
Cash inflow from interest on loans	49,069.13	38,732.88
Cash inflow from interest on Investments*	2,071.14	808.13
Cash inflow from servicing and interest spread on assigned loans	33.85	49.58
Cash outflow towards finance cost	(16,615.82)	(12,424.79)
Cash generated from operation before working capital changes	28,838.66	22,567.40
Working capital changes		
(Increase)/decrease in bank balances other than cash and cash equivalents	(3,288.21)	(3,210.56)
(Increase)/decrease in trade receivables	(180.96)	(193.89)
(Increase)/decrease in loans	(69,587.98)	(68,574.24)
(Increase)/decrease in Investments classified as FVTPL*	(1,701.86)	1,150.03
(Increase)/decrease in other financial assets	8.37	6.08
(Increase)/decrease in other non-financial assets	(111.24)	(33.39)
Increase/(decrease) in trade payables	119.72	48.21
Increase/(decrease) in other payables	136.05	111.46
Increase/(decrease) in other financial liabilities	(33.24)	106.17
Increase/(decrease) in provisions	56.69	71.13
Increase/(decrease) in other non-financial liabilities	30.20	126.95
	(74,552.46)	(70,392.05)
Income tax paid (net of refunds)	(5,281.66)	(4,554.88)
Net cash used in operating activities (I)	(50,995.46)	(52,379.53)
(II) Investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(551.21)	(568.25)
Purchase of intangible assets and intangible assets under development	(478.61)	(414.13)
Sale of property, plant and equipment and intangible assets	30.79	35.51
Purchase of investments measured at amortised cost	-	(289.76)
Proceeds from liquidation of investments measured at amortised cost	162.35	61.95
Purchase of investments classified as FVOCI	(30,735.22)	(23,310.68)
Proceeds from liquidation of investments classified as FVOCI	29,745.96	15,231.80
Purchase of equity investments designated under FVOCI	(35.00)	-
Dividend received (Previous year ₹ 30,225)	10.96	-
Proceed from offer for sale of investment in subsidiary net of issue expenses	2,950.68	-
Investment in associates	-	(267.47)
Investment in subsidiaries	(2,200.00)	(200.00)
Net cash used in investing activities (II)	(1,099.30)	(9,721.03)

Standalone Statement of Cash Flows (Contd.)

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
(III) Financing activities		
Issue of equity share capital (including securities premium)	1,251.44	9,067.17
Issue of share warrants	-	297.21
Share based payment recovered from subsidiaries	23.01	30.57
Share issue expenses	-	(34.54)
Dividends paid	(2,225.24)	(1,814.58)
Payment of lease liability	(194.82)	(155.44)
Deposits received (net)	10,668.56	14,751.88
Short term borrowing availed (net)	8,946.95	16,355.94
Long term borrowing availed	58,287.07	48,834.19
Long term borrowing repaid	(25,152.95)	(22,558.04)
Net cash generated from financing activities (III)	51,604.02	64,774.36
Net increase/(decrease) in cash and cash equivalents (I+II+III)	(490.74)	2,673.80
Cash and cash equivalents at the beginning of the year	3,865.15	1,191.35
Cash and cash equivalents at the end of the year	3,374.41	3,865.15

*Certain categories of investments are considered by the Company, as held for trading purposes. The Company has accordingly presented the related cash flows under operating activities including interest income from all investments. Pursuant to change and to make it comparable, the cash flow from the operating activities increased by ₹ 1,958.16 crore, for comparative full year ended 31 March 2024 with a corresponding decrease in investing activities.

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short-term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan, repurchase agreement borrowings and triparty repo dealing and settlement. All other borrowings are considered as long-term borrowings.

Components of cash and cash equivalents

(₹ in crore)

As at 31 March

Particulars	2025	2024
Cash and cash equivalents comprises of		
Cash on hand	56.81	58.84
Balance with banks		
In current accounts	2,367.02	3,806.31
In fixed deposits (with original maturity of 3 months or less)	950.58	-
	3,374.41	3,865.15

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Vasant
Partner
Membership number: 101119

Suhas Deshpande
Partner
Membership number: 031787

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

Pune: 29 April 2025

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Notes to standalone financial statements for the year ended 31 March 2025

1 Corporate information

Bajaj Finance Limited ('the Company', 'BFL') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Limited 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. Further, various debt securities of the Company are also listed on the Stock Exchanges. 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 books of accounts of the Company are maintained at the 3rd Floor, Panchshil Tech Park, Plot 43/1, 43/2 and 44/2, Viman Nagar, Pune, Maharashtra, India, 411014.

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. Since 30 September 2022, the Company has been classified as NBFC-UL (upper layer) by the RBI as part of its 'Scale Based Regulation'.

2 Basis of preparation

2.1 Statement of compliance

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 – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/ notifications. The Company uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows).

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefits plan that are measured at fair value as required or allowed by relevant accounting standard.

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.

Financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 29 April 2025, 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.

2.2 Functional and presentation currency

The 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.

2.3 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'.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

2 Basis of preparation (Contd.)

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.

2.4 Material accounting estimates, judgements and assumptions

The preparation of the Company's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. 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. Revision to accounting estimates are recognised prospectively.

Material accounting estimates and judgements used in various line items in the financial statements are as below:

- Business model assessment [Refer note no. 3.3(i) and 9]
- Impairment of financial assets [Refer note no. 3.3(i), 9 and 49(c)]
- Provisions and contingent liabilities (Refer note no. 3.8 and 43)
- Fair value of financial instruments (Refer note no. 3.10 and 48)

3 Summary of material accounting policies

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

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is presented under interest income on investment.

Interest rebate for the timely payment of interest by borrowers is recognised once the full interest amount is received on time, adhering to the terms of the respective contract, and is netted against the corresponding interest income.

(ii) Revenue from operations other than interest income

The Company recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

(a) Fees and commission income

The Company recognises:

- Service and administration charges at point in time on completion of contracted service;
- Bounce charges at point in time on realisation from customer at the time of default;
- Fees on value added services and products at point in time on delivery of services and products to the customer;
- Distribution income at point in time on completion of distribution of third-party products and services; and
- Income of loan foreclosure and prepayment when it is probable to happen and the amount can be reasonably estimated.

(b) Income on derecognised (assigned) loans

In direct assignment transactions, the Company recognises the excess interest spread (EIS) as the difference between the interest on the assigned loan portfolio and the rate agreed with the assignee. The Company records the discounted value of expected cash flow of the future EIS, entered with the assignee, upfront in the Statement of Profit and Loss. Any subsequent changes in the fair value of future EIS are recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial Instruments'.

(c) Other operating income

The Company recognises recoveries against written off financial assets on realisation.

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.

Any other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

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

(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, guarantee fees under guarantee scheme and fees for management of portfolio etc. are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses- Share based payments

The Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Company determines the fair value of the employee stock options on the grant date using the Black-Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in profit or loss and that pertaining to employees of subsidiaries is recovered from subsidiaries.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)**3.3 Financial instruments****Recognition of financial instruments**

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

(i) Financial assets**Initial measurement**

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

- Investment in subsidiaries and associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to the Statement of Profit and Loss; 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 subsequent measurement, financial assets are classified into four categories as per the Company's Board approved policy:

- Debt instruments at amortised cost
- Debt instruments at FVOCI
- Equity/Debt instruments at FVTPL
- Equity instruments designated under FVOCI

The classification depends on the contractual terms of the cash flows of the financial assets (SPPI), the Company's business model for managing financial assets and, in case of equity instruments, the intention of the Company whether strategic or non-strategic. The said classification methodology is detailed below-

Solely payments of principal and interest (SPPI) assessment

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

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

Business model assessment

The Company has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Company determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

(a) Debt instruments at amortised cost

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.

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

- Considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment of non credit impaired assets and sale of credit impaired assets which are infrequent and below the threshold provided by the Management.

(b) Debt instruments at FVOCI

The Company subsequently measures 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.

The Company measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI). The Company recognises interest income on these assets in the Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Company reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

(c) Equity/Debt instruments at FVTPL

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

Interest and dividend incomes are recorded in the Statement of Profit and Loss. Gains and losses on changes in fair value of equity and debt instruments are recognised on net basis through profit or loss.

(d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

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

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to profit or loss subsequently, even on sale of those investments.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material 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 such as repayments in the financial asset, sale of the financial asset etc.; 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. A write-off of a financial asset constitutes a derecognition event.

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 transactions which are below the threshold provided by Management for assignment and sale of non-NPA portfolios and hence which doesn't affect the business model of the Company.

Write-off

Financial assets are written off when the Company has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Company follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

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

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

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

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

(a) Credit impaired (stage 3)

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

- Contractual payments of 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 loan accounts of that customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructuring would normally involve modification of terms of the loans, which generally includes repayment terms renegotiation as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. The renegotiation or modification does not result in derecognition of financial asset. Such loans are upgraded to stage 1 if-

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

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

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

The Company considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Company recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) 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 customer behavioural trends. 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.

(d) Measurement of ECL

The Company calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Company in accordance with the contract and the cash flows that the Company expects to receive.

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

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

that have demonstrated a high correlation 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 annual basis by using the available incremental and recent information, except where this information 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. 49.

(ii) Financial liabilities**Initial measurement**

The Company recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Company subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

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

3.4 Investment in subsidiaries and associates

The Company recognises investments in subsidiaries and associates 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'.

3.5 Taxes

Income tax comprises current tax and deferred tax.

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

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

3.6 Property, plant and equipment and depreciation thereof

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

The Company provides for depreciation on a pro-rata basis, with reference to the month in which such asset is added or sold, for all tangible assets on straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Details of useful life is given in note no. 13.

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 an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.7 Intangible assets and amortisation thereof

The Company measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Company recognises internally generated intangible assets when the Company is certain that intangible asset would support/result in furtherance of Company's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Company.

All 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.

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

3.8 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.

3.9 Leases

As a Lessee

The Company follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)**Measurement of lease liability**

At the time of initial recognition, the Company measures lease liability as present value of all lease payments over primary period of lease, discounted using the Company's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and 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 over primary period of lease, discounted using the Company's incremental cost of borrowing of similar tenure. 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 Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.

Modification of lease

Modification of lease due to change in scope or consideration or lease term requires remeasurement of lease liability.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

As a Lessor

The Company has leased vehicles and transferred substantially all the associated risks and rewards incidental to ownership. Consequently, these leases are categorised as finance leases.

Assets leased out under finance lease are recorded as finance lease receivables, equivalent to the net investment in the lease. The net investment is calculated by discounting the gross lease investment at the interest rate implicit in the lease. The principal portion of lease payments decreases the net investment in the lease, while interest portion is recorded in the Statement of Profit and Loss under interest income throughout the lease term. This recognition is based on a consistent periodic rate of return on the Company's net investment in the lease.

3.10 Fair value measurement

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

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

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. 48.

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.

3.11 Derivative financial instruments

The Company enters into derivative financial instruments such as foreign exchange forward contracts, Interest Rate Swap (IRS) and Cross Currency Interest Rate Swaps (CCIRS) to manage its exposure

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

to interest rate risk and foreign exchange rate risk. 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, IRS and spot element of foreign exchange forward contract 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.

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.

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Cash on hand	56.81	58.84
Balance with banks		
In current accounts	2,367.02	3,806.31
In fixed deposits (with original maturity of 3 months or less)	950.58	-
	3,374.41	3,865.15

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits 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.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Fixed deposits (with original maturity more than 3 months)		
Encumbered*	1,988.89	2,319.19
Unencumbered	6,948.73	3,165.51
Earmarked balance with banks:		
Against unclaimed dividend	4.29	3.07
Escrow account balance	139.07	79.34
	9,080.98	5,567.11

*Includes:

- ₹ 1,969.01 crore (Previous year ₹ 2,319.19 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
- ₹ 19.88 crore (Previous year ₹ Nil) pledged as lien on securitisation borrowing

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2025		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract	643.74	3.06	-
	15,734.77	201.97	25.53

(₹ in crore)

Particulars	As at 31 March 2024		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	6,015.79	15.69	0.85
	6,015.79	15.69	0.85

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

7 Derivative financial instruments (at FVTPL) (Contd.)

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency, coupon only swaps and forward contracts. 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. 49(b)(iii) for foreign currency risk.

8 Trade receivables

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Considered good - unsecured		
Interest subsidy	922.70	750.01
Fees, commission and others	447.64	439.37
Service asset	51.74	60.51
	1,422.08	1,249.89
Less : Impairment loss allowance	5.69	5.00
	1,416.39	1,244.89

- 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.
- The Company follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Trade receivables (gross) ageing

(₹ in crore)								
Particulars	Not due	Unbilled	Outstanding from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025								
(i) Undisputed Trade receivables – considered good	888.33	111.18	422.57	-	-	-	-	1,422.08
As at 31 March 2024								
(i) Undisputed Trade receivables – considered good	661.93	111.55	476.41	-	-	-	-	1,249.89

Reconciliation of impairment loss allowance on trade receivables

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Impairment loss allowance as at beginning of the year	5.00	4.31
Net increase/(decrease) during the year	0.69	0.69
Impairment loss allowance as at the end of the year	5.69	5.00

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

9 Loans

(₹ in crore)

Particulars	At amortised cost	
	As at 31 March 2025	As at 31 March 2024
(A) Loans		
Term loans*	310,286.96	247,376.20
Finance lease receivable*	54.53	-
Credit substitutes#	420.03	476.33
	310,761.52	247,852.53
Less: Impairment loss allowance	6,402.36	4,518.10
Total - Net (A)	304,359.16	243,334.43
(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.	147,049.18	120,111.11
Less: Impairment loss allowance	1,756.60	1,247.83
Total (I)	145,292.58	118,863.28
(II) Unsecured	163,712.34	127,741.42
Less: Impairment loss allowance	4,645.76	3,270.27
Total (II)	159,066.58	124,471.15
Total (B) = (I+II)	304,359.16	243,334.43
(C) Out of above		
(I) Loans in India		
(i) Public sector	-	-
Less: Impairment loss allowance	-	-
Sub-total (i)	-	-
(ii) Others	310,761.52	247,852.53
Less: Impairment loss allowance	6,402.36	4,518.10
Sub-total (ii)	304,359.16	243,334.43
Total (I) = (i+ii)	304,359.16	243,334.43
(II) Loans outside India	-	-
Total (C) = (I+II)	304,359.16	243,334.43

*Includes receivables from related parties ₹ 555.28 crore (Previous year ₹ 155 crore), details of which are given in note no 45 'Related Party Disclosure'.

#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.

Loan details

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Total Gross loan	313,367.49	250,161.73
Less: EIR impact	2,605.97	2,309.20
Total for gross term loan net of EIR impact	310,761.52	247,852.53

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

9 Loans (Contd.)

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	302,000.51	5,083.26	3,677.75	310,761.52	241,531.22	3,720.93	2,600.38	247,852.53
Less: Impairment loss allowance	2,767.69	1,677.33	1,957.34	6,402.36	1,927.56	1,122.25	1,468.29	4,518.10
Net carrying amount	299,232.82	3,405.93	1,720.41	304,359.16	239,603.66	2,598.68	1,132.09	243,334.43
Impairment loss allowance as a percentage of gross carrying amount	0.92%	33.00%	53.22%	2.06%	0.80%	30.16%	56.46%	1.82%

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

(₹ in crore)

Particulars	For the year ended 31 March 2025							
	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 2024	241,531.22	1,927.56	3,720.93	1,122.25	2,600.38	1,468.29	247,852.53	4,518.10
Transfers during the year								
transfers to stage 1	323.01	75.12	(228.43)	(38.22)	(94.58)	(36.90)	-	-
transfers to stage 2	(4,469.02)	(86.85)	4,485.49	94.54	(16.47)	(7.69)	-	-
transfers to stage 3	(7,176.73)	(182.42)	(2,603.16)	(908.48)	9,779.89	1,090.90	-	-
	(11,322.74)	(194.15)	1,653.90	(852.16)	9,668.84	1,046.31	-	-
Impact of changes in credit risk on account of stage movements	-	(67.45)	-	1,333.58	-	7,976.09	-	9,242.22
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(105,357.19)	(338.02)	(1,724.27)	(449.09)	(2,814.62)	(2,355.31)	(109,896.08)	(3,142.42)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	177,149.22	1,439.75	1,432.70	522.75	1,264.37	863.18	179,846.29	2,825.68
Amounts written off during the year	-	-	-	-	(7,041.22)	(7,041.22)	(7,041.22)	(7,041.22)
As at 31 March 2025	302,000.51	2,767.69	5,083.26	1,677.33	3,677.75	1,957.34	310,761.52	6,402.36

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

9 Loans (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2024							
	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 2023	178,089.48	1,597.05	2,672.99	854.92	2,175.49	1,388.87	182,937.96	3,840.84
Transfers during the year								
transfers to stage 1	344.56	107.19	(211.50)	(37.19)	(133.06)	(70.00)	-	-
transfers to stage 2	(2,887.76)	(47.66)	2,911.46	58.91	(23.70)	(11.25)	-	-
transfers to stage 3	(4,371.91)	(81.08)	(1,489.11)	(554.23)	5,861.02	635.31	-	-
	(6,915.11)	(21.55)	1,210.85	(532.51)	5,704.26	554.06	-	-
Impact of changes in credit risk on account of stage movements	-	(101.83)	-	847.60	-	4,924.42	-	5,670.19
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(79,779.88)	(434.97)	(1,247.60)	(386.75)	(2,185.81)	(1,979.38)	(83,213.29)	(2,801.10)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	150,136.73	888.86	1,084.69	338.99	1,042.19	716.07	152,263.61	1,943.92
Amounts written off during the year	-	-	-	-	(4,135.75)	(4,135.75)	(4,135.75)	(4,135.75)
As at 31 March 2024	241,531.22	1,927.56	3,720.93	1,122.25	2,600.38	1,468.29	247,852.53	4,518.10

Finance lease disclosure

The Company has entered into a lease arrangements for vehicles as a lessor. As material risks and rewards are transferred to the lessee, these are accounted as finance lease. The lease term of these leases ranges from 1 year to 5 years. The contracted interest rate ranges from 10.25% to 11.50% p.a.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows-

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Undiscounted lease payments due		
Within 12 months	16.66	-
After 12 months	51.40	-
Total undiscounted lease payments receivable	68.06	-
Less: Unearned finance income	13.53	-
Gross finance lease receivable	54.53	-
Less: Impairment loss allowance	0.35	-
Net finance lease receivable	54.18	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

10 Investments

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(A) At amortised cost		
In pass through certificates (PTC) representing securitisation of loan receivables	194.63	356.89
	194.63	356.89
Less: Impairment loss allowance	0.78	1.43
Total (A)	193.85	355.46
(B) At fair value through other comprehensive income		
(i) In Government securities	20,905.19	21,939.26
Add: Fair value gain/(losses)	131.58	11.28
Sub-total (i)	21,036.77	21,950.54
Includes carrying value of:		
(i) ₹ 4,651.84 crore (Previous year ₹ 4,628.28 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,		
(ii) ₹ 3,930.77 crore (Previous year ₹ Nil) utilised for Repurchase Agreement borrowing (Repo) transaction,		
(iii) ₹ 12,205.83 crore (Previous year ₹ 17,245.47 crore) pledged for triparty repo dealing and settlement (TREPs), and		
(iv) ₹ 199.31 crore (Previous Year ₹ Nil) kept as margin for securities segment with Clearing Corporation of India Limited (CCIL).		
(ii) In equity instruments		
Equity shares (Quoted)	446.89	150.00
Add: Fair value gain/(losses)	(129.90)	(47.11)
	316.99	102.89
Equity shares (Unquoted)#	318.16	299.58
Add: Fair value gain/(losses)	106.46	76.96
	424.62	376.54
Compulsorily convertible term loan#	-	280.47
Add: Fair value gain/(losses)	-	42.21
	-	322.68
Sub-total (ii)	741.61	802.11
#On 26 March 2025, Bajaj Finserv Direct Limited has converted compulsorily convertible term loans into 64,534,670 equity shares at a pre agreed price of ₹ 43.46 per share.		
(iii) In certificate of deposits	2,740.25	1,450.71
Add: Fair value gain/(losses)	4.18	2.53
Sub-total (iii)	2,744.43	1,453.24
(iv) In commercial papers	925.96	247.13
Add: Fair value gain/(losses)	0.42	0.13
Sub-total (iv)	926.38	247.26
(v) In non-convertible debentures	212.83	212.88
Add: Fair value gain/(losses) (Current year ₹ 40,836)		(0.49)
Sub-total (v)	212.83	212.39
Total (B) = (i+ii+iii+iv+v)	25,662.02	24,665.54

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

10 Investments (Contd.)

(₹ in crore)		
As at 31 March		
Particulars	2025	2024
(C) At fair value through profit or loss		
(i) In mutual funds	5,245.76	2,514.31
Add: Fair value gains/(losses)	17.36	6.38
Sub-total (i)	5,263.12	2,520.69
Includes carrying value of ₹ 5.57 crore (Previous year ₹ 5.19 crore) pledged in favour of National Securities Depository Limited (NSDL) as margin money.		
(ii) In Government securities	25.05	851.82
Add: Fair value gains/(losses)	0.17	1.26
Sub-total (ii)	25.22	853.08
Includes carrying value of ₹ 25.22 crore (Previous year ₹ 522.27 crore) pledged in favour of CCIL for TREPs.		
(iii) In infrastructure investment trust (Invit) units	20.00	-
Add: Fair value gains/(losses)	-	-
Sub-total (iii)	20.00	-
Total (C) = (i+ii+iii)	5,308.34	3,373.77
(D) At cost		
Investment in subsidiaries*		
Bajaj Housing Finance Limited (BHFL)	9,121.43	7,528.00
Bajaj Financial Securities Limited (BFinsec)	1,070.38	870.38
Investment in associates*		
Snapwork Technologies Private Limited	92.74	92.74
Pennant Technologies Private Limited	267.47	267.47
Total (D)	10,552.02	8,758.59
Total (A+B+C+D)	41,716.23	37,153.36

(₹ in crore)		
As at 31 March		
Particulars	2025	2024
Out of above		
In India	41,716.23	37,153.36
Outside India	-	-
	41,716.23	37,153.36

-Impairment allowance recognised on investments is ₹ Nil (Previous year ₹ Nil) except where specified.

*Details of Investment in subsidiaries and associates is as below:

					(₹ in crore)	
				Proportion of the ownership interest		
Name of the entity	Relationship	Principal place of business	Principal activities	As at 31 March 2025	As at 31 March 2024	
Bajaj Housing Finance Limited	Subsidiary	Pune	Mortgage lending	88.75%*	100.00%	
Bajaj Financial Securities Limited	Subsidiary	Pune	Broking and depository	100.00%	100.00%	
Snapwork Technologies Private Limited	Associate	Mumbai	Software development and allied products	41.50%	41.50%	
Pennant Technologies Private Limited	Associate	Hyderabad	Software development and allied products	26.53%	26.53%	

*The Company's subsidiary, namely BHFL, has concluded its Initial Public Offer (IPO) of ₹ 6,560 crore. This included issuance of new equity shares amounting to ₹ 3,560 crore and an offer for sale by BFL amounting to ₹ 3,000 crore. BHFL equity shares were listed on stock exchanges on 16 September 2024. Consequently, BFL's shareholding in BHFL reduced from 100% to 88.75%.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

10 Investments (Contd.)

Reconciliation of impairment loss allowance on investments measured at amortised cost

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Impairment loss allowance as at beginning of the year	1.43	0.52
Net increase/(decrease) during the year	(0.65)	0.91
Impairment loss allowance as at the end of the year	0.78	1.43

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Security deposits	126.16	115.34
Advances to dealers	52.63	275.43
Credit cover under Government guarantee schemes	1,108.74	321.93
Receivable from debt management agencies	216.72	160.32
Receivable from online payment aggregators and gateways	92.51	43.39
Receivable from assignment servicing partners	403.77	51.19
Interest only strip receivable	371.87	-
Others	59.83	47.25
	2,432.23	1,014.85
Less : Impairment loss allowance	5.31	2.77
	2,426.92	1,012.08

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Impairment loss allowance as at beginning of the year	2.77	2.11
Net increase/(decrease) during the year	2.54	0.66
Impairment loss allowance as at the end of the year	5.31	2.77

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

12 Income taxes**(A) Current tax****Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate**

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Profit before tax	21,676.09	17,053.08
At corporate tax rate of 25.17% (Previous year 25.17%)	5,455.87	4,292.26
Current tax adjustment with respect to earlier years*	(249.47)	-
Impact of income taxed at different rates**	(275.80)	-
Tax on expenditure not considered for tax provision (net of allowance)*	86.39	121.80
Reversal of deferred tax on opening special reserve u/s 36(1)(viii)	-	(2.33)
Tax benefit on additional deductions	(2.40)	(2.76)
Tax expense (effective tax rate of 23.134%, Previous year 25.854%)	5,014.59	4,408.97

*During the year, the Company has re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Company has reversed tax expense for earlier years and reduced the current year's tax provision.

**During the year, the Company has sold 428,571,428 equity shares of one of its subsidiary viz. Bajaj Housing Finance Limited at ₹ 70 per share, aggregating to ₹ 3,000 crore. This has resulted into a capital gain which has been taxed at a rate of 14.30%. The impact on account of different tax rate (i.e. 25.17% minus 14.30%) is ₹ 275.80 crore.

(B) Deferred tax assets (net)**Movement in Deferred tax asset/(liability)****For the financial year 2024-25**

(₹ in crore)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2025
(a) Deferred tax asset				
Remeasurements of employee benefits	100.10	11.50	5.63	117.23
Expected credit loss	869.86	170.01	-	1,039.87
Cash flow hedge reserve	3.00	-	29.48	32.48
Right of use assets	158.80	59.43	-	218.23
Fair value of security deposits	-	0.45	-	0.45
Fair value on equity instruments designated under FVOCI	-	-	3.36	3.36
Other temporary differences	7.69	2.78	-	10.47
Gross deferred tax assets (a)	1,139.45	244.17	38.47	1,422.09

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

12 Income taxes (Contd.)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	(₹ in crore)
				Balance as at 31 March 2025
(b) Deferred tax liabilities				
Property, plant and equipment and intangible assets	(29.81)	(9.68)	-	(39.49)
Service asset on assigned loans	(15.23)	(91.39)	-	(106.62)
Fair value on debt instruments at FVTPL	(1.84)	(2.39)	-	(4.23)
Fair value on equity instruments designated under FVOCI	(21.86)	-	21.86	-
Fair value on debt instruments designated under FVOCI	(3.38)	-	(30.90)	(34.28)
Cost of hedging reserve	-	-	(1.44)	(1.44)
Lease liability	(140.62)	(51.27)	-	(191.89)
Gross deferred tax liabilities (b)	(212.74)	(154.73)	(10.48)	(377.95)
Deferred tax assets/(liabilities), net (a+b)	926.71	89.44	27.99	1,044.14

For the financial year 2023-24

Particulars	Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	(₹ in crore)
				Balance as at 31 March 2024
(a) Deferred tax asset				
Remeasurements of employee benefits	65.04	20.05	15.01	100.10
Expected credit loss	869.86	-	-	869.86
Cash flow hedge reserve	-	-	3.00	3.00
Fair value on equity instruments designated under FVOCI	7.96	-	(7.96)	-
Right of use assets	110.78	48.02	-	158.80
Fair value on debt instruments designated under FVOCI	6.37	-	(6.37)	-
Other temporary differences	3.19	4.50	-	7.69
Gross deferred tax assets (a)	1,063.20	72.57	3.68	1,139.45
(b) Deferred tax liabilities				
Property, plant and equipment and intangible assets	(12.81)	(17.00)	-	(29.81)
Service asset on assigned loans	(19.89)	4.66	-	(15.23)
Fair value on debt instruments at FVTPL	(2.21)	0.37	-	(1.84)
Fair value on equity instruments designated under FVOCI	-	-	(21.86)	(21.86)
Fair value on debt instruments designated under FVOCI	-	-	(3.38)	(3.38)
Cash flow hedge reserve	(2.24)	-	2.24	-
Lease liability	(98.22)	(42.40)	-	(140.62)
Other temporary differences	(8.83)	8.83	-	-
Gross deferred tax liabilities (b)	(144.20)	(45.54)	(23.00)	(212.74)
Deferred tax assets/(liabilities), net (a+b)	919.00	27.03	(19.32)	926.71

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

13 (A) Property, plant and equipment and intangible assets**For the financial year 2024-25**

Particulars	Gross block				Depreciation and amortisation			Net block	
	As at 1 April 2024	Additions	Deductions/ Adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ Adjustments	For the year	As at 31 March 2025	As at 31 March 2025
Property, plant and equipment (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	261.38	-	-	261.38	72.76	-	3.67	76.43	184.95
Computers and data processing units	517.74	187.84	80.86	624.72	227.42	59.60	115.65	283.47	341.25
Office equipment	320.43	106.78	19.67	407.54	197.85	17.79	58.91	238.97	168.57
Furniture and fixtures	285.00	54.73	11.89	327.84	123.24	10.30	35.12	148.06	179.78
Vehicles	338.96	178.45	37.25	480.16	88.48	19.67	72.65	141.46	338.70
Leasehold improvements	291.73	40.15	13.69	318.19	215.04	13.63	27.20	228.61	89.58
Sub-total (i)	2,288.55	567.95	163.36	2,693.14	924.79	120.99	313.20	1,117.00	1,576.14
Right-of-use (f)									
Right-of-use - Premises (e)	1,197.44	356.02	112.54	1,440.92	366.75	112.01	240.63	495.37	945.55
Right-of-use - Server	37.48	1.89	9.78	29.59	19.47	3.79	4.09	19.77	9.82
Sub-total (ii)	1,234.92	357.91	122.32	1,470.51	386.22	115.80	244.72	515.14	955.37
Sub-total (iii=i+ii)	3,523.47	925.86	285.68	4,163.65	1,311.01	236.79	557.92	1,632.14	2,531.51
Intangible assets (d)									
Computer softwares	841.12	241.05	144.18	937.99	395.75	120.52	154.34	429.57	508.42
Internally generated software	517.89	242.34	-	760.23	115.79	-	109.72	225.51	534.72
Sub-total (iv)	1,359.01	483.39	144.18	1,698.22	511.54	120.52	264.06	655.08	1,043.14
Total (v=iii+iv)	4,882.48	1,409.25	429.86	5,861.87	1,822.55	357.31	821.98	2,287.22	3,574.65

For the financial year 2023-24

Particulars	Gross block				Depreciation and amortisation			Net block	
	As at 1 April 2023	Additions	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ Adjustments	For the year	As at 31 March 2024	As at 31 March 2024
Property, plant and equipment (a)									
Freehold land (b) (e)	271.91	5.42	4.02	273.31	-	-	-	-	273.31
Buildings (c) (e)	259.22	2.16	-	261.38	69.09	-	3.67	72.76	188.62
Computers and data processing units	394.14	184.11	60.51	517.74	179.66	43.77	91.53	227.42	290.32
Office equipment	248.44	83.58	11.59	320.43	166.06	11.36	43.15	197.85	122.58
Furniture and fixtures	215.02	79.69	9.71	285.00	93.60	8.08	37.72	123.24	161.76
Vehicles	218.11	150.76	29.91	338.96	49.51	13.92	52.89	88.48	250.48
Leasehold improvements	230.76	63.97	3.00	291.73	196.30	2.99	21.73	215.04	76.69
Sub-total (i)	1,837.60	569.69	118.74	2,288.55	754.22	80.12	250.69	924.79	1,363.76
Right-of-use (f)									
Right-of-use - Premises (e)	711.30	568.95	82.81	1,197.44	263.89	72.12	174.98	366.75	830.69
Right-of-use - Server	35.51	1.97	-	37.48	14.34	-	5.13	19.47	18.01
Sub-total (ii)	746.81	570.92	82.81	1,234.92	278.23	72.12	180.11	386.22	848.70
Sub-total (iii=i+ii)	2,584.41	1,140.61	201.55	3,523.47	1,032.45	152.24	430.80	1,311.01	2,212.46
Intangible assets (d)									
Computer softwares	649.16	230.28	38.32	841.12	298.97	28.99	125.77	395.75	445.37
Internally generated software	288.41	231.54	2.06	517.89	43.65	0.42	72.56	115.79	402.10
Sub-total (iv)	937.57	461.82	40.38	1,359.01	342.62	29.41	198.33	511.54	847.47
Total (v=iii+iv)	3,521.98	1,602.43	241.93	4,882.48	1,375.07	181.65	629.13	1,822.55	3,059.93

- (a) See note no. 3.6
 (b) Represents share in undivided portion of land on purchase/construction of office premises.
 (c) Includes cost of shares in co-operative society of ₹ 500 (Previous year ₹ 500).
 (d) See note no. 3.7
 (e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Company.
 (f) See note no. 3.9

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

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

Depreciation and amortisation

Depreciation and amortisation is provided using straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided from/up to the month in which such asset is added or sold as the case may be.

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 of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Company
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Other office equipments	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements	Lease tenure or 5 years, whichever is less
Intangible assets including those internally generated	5 years

* Evaluated useful lives is different from Schedule II of Companies Act, 2013.

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.

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

The Company discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening balance	25.35	14.60
Additions	74.01	22.35
Deductions/Adjustments	72.62	11.60
Closing balance	26.74	25.35

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

13 (B) Capital work-in-progress and intangible assets under development (Contd.)**Ageing for capital work-in-progress**

(₹ in crore)

Particulars	As at	Amount for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 2025	9.99	2.15	1.33	13.27	26.74
Projects in progress	31 March 2024	10.75	1.33	6.20	7.07	25.35

Intangible assets under development

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Opening balance	17.24	64.93
Additions	478.61	414.13
Deductions/Adjustments	483.39	461.82
Closing balance	12.46	17.24

Ageing for intangible assets under development

(₹ in crore)

Particulars	As at	Amount for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 2025	12.46	-	-	-	12.46
Projects in progress	31 March 2024	17.24	-	-	-	17.24

- The Company does not have any project temporarily 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.

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Capital advances	5.69	23.82
Deposits against appeals	40.50	38.95
Advances to suppliers and others	184.75	75.06
	230.94	137.83

- 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 2025 (Contd.)

15 Payables

(₹ in crore)		
As at 31 March		
Particulars	2025	2024
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises [#]	1.27	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,119.84	1,000.97
	1,121.11	1,001.39
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises [#]	0.42	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	806.19	670.56
	806.61	670.56

[#]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)		
As at 31 March		
Particulars	2025	2024
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	1.69	0.42
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	33.21	46.01
Interest paid to suppliers under MSMED Act (section 16)	0.42	0.57
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 (since paid)	-	-

Trade payables ageing

(₹ in crore)							
Outstanding from due date of payment							
Particulars	Not due	Unbilled	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2025							
(i) MSME	1.27	-	-	-	-	-	1.27
(ii) Others	75.33	852.73	191.04	0.74	-	-	1,119.84
	76.60	852.73	191.04	0.74	-	-	1,121.11
As at 31 March 2024							
(i) MSME	0.42	-	-	-	-	-	0.42
(ii) Others	97.24	722.99	180.73	0.01	-	-	1,000.97
	97.66	722.99	180.73	0.01	-	-	1,001.39

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

16 Debt securities

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(A) At amortised cost		
Redeemable non-convertible debentures		
Secured and fully paid*	82,282.99	62,170.34
Unsecured and fully paid	6,253.19	6,258.92
Unsecured and partly paid	1,118.56	745.72
	89,654.74	69,174.98
Commercial papers - Unsecured	21,356.14	18,421.11
	111,010.88	87,596.09
(B) Out of above		
In India	111,010.88	87,596.09
Outside India	-	-
	111,010.88	87,596.09

*All the secured non-convertible debentures (NCD) of the Company including those issued during the year ended 31 March 2025 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)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March	
				2025	2024
Redeemable at par					
INE296A07FV8	9.05%	7-Apr-15	7-Apr-24	-	165.00
INE296A07RR1	5.95%	30-Mar-21	12-Apr-24	-	1,500.00
INE296A07RU5	5.65%	10-May-21	10-May-24	-	3,150.00
INE296A07PY1	8.05%	1-Jun-17	31-May-24	-	1,000.00
INE296A07QV5	8.55%	15-May-19	6-Jun-24	-	75.00
INE296A07SA5	7.20%	13-Jul-22	12-Jul-24	-	750.00
INE296A07RK6	6.00%	27-Aug-20	10-Sep-24	-	585.00
INE296A07RV3	5.55%	27-Aug-21	10-Oct-24	-	1,230.00
INE296A07EG2	9.36%	17-Nov-14	18-Nov-24	-	100.00
INE296A07QD3	7.46%	10-Oct-17	18-Nov-24	-	1,000.00
INE296A07QY9	7.66%	14-Nov-19	9-Dec-24	-	235.00
INE296A07QZ6	7.65%	28-Jan-20	7-Feb-25	-	850.00
INE296A07RC3	7.30%	20-Feb-20	10-Mar-25	-	1,035.00
INE296A07FV8	9.05%	7-Apr-15	7-Apr-25	170.00	170.00
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	1,317.00	1,317.00
INE296A07SB3	7.38%	8-Aug-22	8-Aug-25	1,575.00	1,575.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	90.00	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	5.00	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	5,100.00	5,100.00

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

16 Debt securities (Contd.)

ISIN	Coupon rate	Issue date	Date of redemption	(₹ in crore)	
				As at 31 March	
				2025	2024
INE296A07R08	6.00%	24-Dec-20	24-Dec-25	681.00	681.00
INE296A07QS1	8.95%	9-Jan-19	8-Jan-26	1,495.00	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	300.00	300.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	1,795.00	1,795.00
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	28.00	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	135.00	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	5.00	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	3.00	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	-
INE296A07LG7	8.65%	4-Jul-16	3-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	-
INE296A07MO9	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	8-Jan-27	1,625.00	1,625.00
INE296A07TG0	7.72%	10-Dec-24	26-Mar-27	1,000.00	-
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	395.00
INE296A07RZ4	7.70%	7-Jun-22	7-Jun-27	1,581.00	1,581.00
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	-
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE296A07TF2	7.80%	9-Oct-24	10-Dec-27	1,750.00	-
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE296A07SN8	7.73%	7-Jun-23	7-Jun-28	500.00	500.00
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	-
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	-
INE296A08870	8.06%	4-Oct-16	4-Oct-29	365.00	365.00
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	430.00
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07RNO	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,483.00	2,483.00
INE296A07RW1	7.15%	2-Dec-21	2-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	6-Jun-17	7-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	8-Sep-22	8-Sep-32	327.00	327.00
INE296A07SW9	7.92%	20-Feb-24	19-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

16 Debt securities (Contd.)

				(₹ in crore)	
				As at 31 March	
ISIN	Coupon rate	Issue date	Date of redemption	2025	2024
INE296A08961	9.11%	6-Nov-18	2-Nov-33	4,575.00	4,575.00
INE296A07SV1	7.82%	8-Feb-24	31-Jan-34	7,995.00	400.00
INE296A07SU3	7.87%	8-Feb-24	8-Feb-34	1,887.30	1,887.30
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	2-May-24	2-May-34	2,360.50	-
INE296A07TE5	7.70%	4-Oct-24	4-Oct-34	750.00	-
INE296A08979/ INE296A08987	7.99%	1-Jun-22	1-Jun-35	1,050.00	700.00
Redeemable at premium					
INE296A07RY7	6.42%	18-Feb-22	18-Feb-26	906.00	906.00
				86,316.50	66,728.40
Interest accrued				3,423.14	2,472.78
Impact of EIR (including premium and discount on NCD)				(84.90)	(26.20)
				89,654.74	69,174.98

-Includes partly paid NCD on which amount to be called and paid is ₹ 350 crore each in May 2025 and June 2026

Out of above NCD having put option are as under:

				(₹ in crore)	
				As at 31 March	
ISIN	Coupon rate	Put option date		2025	2024
INE296A07SL2	7.75%	15-May-26		2,075.00	2,075.00
INE296A07SV1	7.82%	7-Feb-27		7,995.00	400.00
				10,070.00	2,475.00

(D) Terms of repayment of commercial papers

			(₹ in crore)	
			As at 31 March	
Particulars			2025	2024
Redeemable at par with original maturity up to 1 year				
- Due within 1 year			21,361.23	18,425.24
Impact of EIR			(5.09)	(4.13)
			21,356.14	18,421.11

-Interest rate ranges from 7.70% to 7.95% p.a as at 31 March 2025 (Previous year 7.58% to 8.40% p.a)

-As at 31 March 2025, face value of commercial paper is ₹ 21,700 crore (Previous year ₹ 18,790 crore)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

17 Borrowings (other than debt securities)

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(A) In India		
At amortised cost:		
Term loans from banks	51,951.98	44,715.52
Cash credit/Overdraft facility	3,527.04	544.62
Working capital demand loans	1,820.68	2,200.45
Triparty repo dealing and settlement (TREPs) against Government securities	11,380.87	15,758.96
Repurchase agreement borrowings (Repo)	3,929.78	-
Securitisation liabilities [#]	1,753.68	-
	74,364.03	63,219.55
Outside India		
External commercial borrowing*	15,373.63	6,018.45
	15,373.63	6,018.45
(B) Out of above		
Secured (Against loans, book debts and other receivables)	88,288.13	68,737.89
Unsecured	1,449.53	500.11
	89,737.66	69,238.00

*External commercial borrowing is denominated in foreign currency and secured against book debts.

[#]Represents associated liabilities in respect of securitisation transactions, the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Company from the Trust. The Company has provided additional external credit enhancement to the Trust by way of cash collateral.

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

(C) Terms of repayment of term loans from bank as at 31 March 2025

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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
Monthly										
Up to 3 years	72	422.50	48	320.63	-	-	-	-	120	743.13
Quarterly										
Up to 3 years	6	291.68	10	341.68	8	116.64	-	-	24	750.00
Over 3 to 4 years	48	1,643.75	40	1,365.63	26	800.00	12	269.69	126	4,079.07
Over 4 years	25	276.76	23	201.14	16	91.76	19	111.76	83	681.42
Half yearly										
Up to 3 years	5	333.33	8	733.33	2	116.67	-	-	15	1,183.33
Over 3 to 4 years	20	1,568.14	20	1,568.18	8	575.89	2	6.25	50	3,718.46
Over 4 years	76	6,325.72	91	8,966.63	73	7,872.93	61	6,442.68	301	29,607.96

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

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

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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
Yearly										
Up to 3 years	1	50.00	1	75.00	1	125.00	-	-	3	250.00
Over 4 years	5	516.67	5	516.67	3	333.22	2	208.33	15	1,574.89
On maturity (Bullet)										
Up to 3 years	8	6,300.00	2	550.00	1	500.00	-	-	11	7,350.00
Over 3 to 4 years	1	499.74	-	-	2	1,500.00	-	-	3	1,999.74
Interest accrued	-	13.29	-	-	-	-	-	-		13.29
Impact of EIR										0.69
										51,951.98

-Interest rate ranges from 6.61% to 8.80% p.a as at 31 March 2025

Terms of repayment of term loans from bank as at 31 March 2024

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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	-	-	2	225.00	2	225.00	-	-	4	450.00
Over 3 to 4 years	40	1,815.00	28	1,125.00	20	846.88	6	281.25	94	4,068.13
Over 4 years	16	470.00	9	185.00	7	109.38	-	-	32	764.38
Half yearly										
Up to 3 years	2	200.00	1	100.00	4	500.00	-	-	7	800.00
Over 3 to 4 years	13	1,008.32	14	1,133.32	14	1,133.36	3	212.50	44	3,487.50
Over 4 years	53	3,800.32	66	5,655.67	71	7,163.97	69	8,402.57	259	25,022.53
Yearly										
Over 3 to 4 years	3	425.00	-	-	-	-	-	-	3	425.00
Over 4 years	8	829.58	6	808.33	6	808.33	7	1,124.90	27	3,571.14
On maturity (Bullet)										
Up to 3 years	4	870.00	4	2,300.00	2	550.00	-	-	10	3,720.00
Over 3 to 4 years	2	1,900.00	1	499.74	-	-	-	-	3	2,399.74
Interest accrued	-	7.96	-	-	-	-	-	-		7.96
Impact of EIR										(0.86)
										44,715.52

-Interest rate ranges from 6.00% to 9.20% p.a as at 31 March 2024

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

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

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	4	1,820.00	6	2,200.00
Interest accrued		0.68		0.45
	4	1,820.68	6	2,200.45

-Interest rate ranges from 7.11% p.a to 9.30% p.a as at 31 March 2025 (Previous year 7.10% p.a to 8.75%)

(E) Terms of repayment of TREPs

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	26	11,380.87	35	15,758.96
	26	11,380.87	35	15,758.96

-Interest rate ranges from 6% p.a to 6.99% p.a as at 31 March 2025 (Previous year 6.26% p.a to 7.25% p.a)

-As at 31 March 2025, face value of TREPs is ₹ 11,385 crore (Previous year ₹ 15,765 crore)

(F) Terms of repayment of external commercial borrowing

Original maturity of loan	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Due within 1 to 2 years				
Original maturity over 2 to 3 years	5	3,637.21	-	-
Original maturity over 3 years	4	2,567.44	-	-
Due in 2 to 3 years				
Original maturity over 2 to 3 years	11	8,558.14	5	3,543.39
Original maturity over 3 years	1	641.06	4	2,501.22
Interest accrued		34.80		10.01
Impact of EIR		(65.02)		(36.17)
	21	15,373.63	9	6,018.45

-Contracted Interest rate ranges from 5.30% p.a to 5.61% p.a as at 31 March 2025 (Previous year 5.96% p.a to 6.61% p.a)

-Interest rate ranges from 7.47% p.a to 8.11% p.a post effective hedge as at 31 March 2025 (Previous year 7.40% to 8.11% p.a)

(G) Terms of repayment of repo borrowing

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	10	3,929.78	-	-
	10	3,929.78	-	-

-Contracted Interest rate is 7.40% p.a as at 31 March 2025 (Previous year Nil)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

17 Borrowings (other than debt securities) (Contd.)**(H) Terms of repayment of securitisation liabilities**

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Original maturity over 3 years				
Due Within 1 year	12	396.97	-	-
Due in 1 to 2 years	12	413.91	-	-
Due in 2 to 3 years	12	381.74	-	-
Due in over 3 years	24	556.29	-	-
Interest accrued		4.89	-	-
Impact of EIR		(0.12)		
	60	1,753.68	-	-

-Contracted Interest rate is 7.75% p.a as at 31 March 2025 (Previous year Nil)

18 Deposits (Unsecured)

Particulars	As at 31 March	
	2025	2024
(A) At amortised cost		
Public deposits*	41,792.22	38,012.62
From others	29,573.30	21,954.04
	71,365.52	59,966.66

*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 2025

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	12,200.60	-	-	-	12,200.60
Over 1 to 2 years	8,707.42	6,292.21	-	-	14,999.63
Over 2 to 3 years	4,587.77	3,125.36	3,066.53	-	10,779.66
Over 3 years	2,703.61	8,945.86	13,246.01	5,710.50	30,605.98
Interest accrued	1,394.45	876.34	623.13	77.01	2,970.93
Impact of EIR					(191.28)
					71,365.52

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

18 Deposits (Unsecured) (Contd.)

Terms of repayment of deposits as at 31 March 2024

(₹ 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	11,634.35	-	-	-	11,634.35
Over 1 to 2 years	8,847.05	3,409.77	-	-	12,256.82
Over 2 to 3 years	4,578.31	4,635.63	2,548.35	-	11,762.29
Over 3 years	1,350.99	2,781.44	9,265.73	8,865.68	22,263.84
Interest accrued	1,262.24	451.67	378.50	141.75	2,234.16
Impact of EIR					(184.80)
					59,966.66

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	3,103.54	3,577.90
	3,103.54	3,577.90
(B) Outside India	-	-

(C) Terms of repayment of subordinated liabilities

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March	
				2025	2024
Redeemable at par					
INE296A08714	10.15%	19-Sep-14	19-Sep-24	-	452.50
INE296A08755	8.94%	21-Oct-15	21-Oct-25	40.00	40.00
INE296A08763	8.94%	9-Nov-15	7-Nov-25	250.00	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	2-Dec-16	2-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
				2,950.00	3,402.50
Interest accrued				158.92	183.48
Impact of EIR				(5.38)	(8.08)
				3,103.54	3,577.90

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Unclaimed dividends*	4.29	3.07
Book overdraft	26.48	98.00
Security deposits	190.00	175.13
Unclaimed matured deposits*	0.35	0.44
Lease liability ⁺	1,031.99	920.93
Payable to assignment partners	47.62	15.46
Outstanding liability for prepaid instrument	120.11	59.38
Unspent CSR liability	6.24	6.19
Others	263.56	343.01
	1,690.64	1,621.61

-Others includes payable to customer against security invoked, unclaimed cheques, advance and invocation liability towards FLDG arrangement etc.

*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' :**

The Company as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considered for application of Ind AS 116 have lease period ranging from 24 to 180 months. The discount rate ranges from 5.70% to 9.15%.

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Opening Balance	920.93	518.48
Add : Addition during the year	314.78	570.91
Interest on lease liability	78.80	59.00
Less :Deletion during the year	8.90	13.01
Lease rental payments	273.62	214.45
Balance at the end of the year	1,031.99	920.93

(B) Undiscounted cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Not later than one year	278.91	239.42
Later than one year but not later than five years	737.17	685.52
Later than five years	267.46	224.91
	1,283.54	1,149.85

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

20 Other financial liabilities (Contd.)

(C) Maturity analysis of carrying value of lease liability

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Within 12 months	207.07	175.30
After 12 months	824.92	745.63

(D) Amount recognised in Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Interest on lease liabilities	78.80	59.00
Depreciation charge for the year	244.72	180.11
Expense related to short-term leases	3.66	5.82
(Gain)/loss on pre-mature lease closure	(2.38)	(2.32)
	324.80	242.61

(E) Total cash outflow for leases

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Cash outflow for leases	273.62	214.45
Cash outflow for short-term leases	3.66	5.82
	277.28	220.27

21 Provisions

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Provision for employee benefits		
Gratuity	390.38	284.06
Compensated absences*	22.50	29.34
Other long-term service benefits	51.39	71.83
	464.27	385.23

*Includes amount payable for encashable leaves not permitted to be carried forward of ₹ 22.50 crore (Previous year ₹ 17.94 crore).

22 Other non-financial liabilities

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Statutory dues	462.42	439.23
Others	30.70	23.69
	493.12	462.92

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Authorised		
750,000,000 (750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued		
621,428,652 (618,996,320) equity shares of ₹ 2 each	124.29	123.80
Subscribed and paid up		
621,428,652 (618,996,320) equity shares of ₹ 2 each fully called up and paid up	124.29	123.80
Less: 616,288 (988,329) equity shares of ₹ 2 each held in a Trust for employees under ESOP Scheme [See footnote (f) below]	0.12	0.20
	124.17	123.60

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

Particulars	Nos.	₹ in crore
As at 1 April 2023	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	1,462,548	0.29
Add: Issued during the year to eligible Qualified Institutional Buyers	12,104,539	2.42
	618,996,320	123.80
Less: Equity shares held in Trust for employees under ESOP scheme	988,329	0.20
As at 31 March 2024	618,007,991	123.60
As at 1 April 2024	618,996,320	123.80
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	882,182	0.18
Add: Issued during the year on conversion of warrants issued to Parent Company, Bajaj Finserv Limited#	1,550,000	0.31
Add: Issued during the year shares kept in abeyance of 2013 rights issue	150	0.00
	621,428,652	124.29
Less: Equity shares held in Trust for employees under ESOP scheme	616,288	0.12
As at 31 March 2025	620,812,364	124.17

*The Allotment Committee allotted 882,182 equity shares on 5 February 2025, having face value of ₹ 2 each at applicable grant price to the BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.

#On 26 March 2025, Bajaj Finserv Limited the promoter and holding company, remitted the remaining 75% of the considerations amounting to ₹ 891.64 crore towards conversion of 1,550,000 warrants issued on 2 November 2023. Consequently, the Preferential Issue Allotment Committee has allotted 1,550,000 equity shares amounting to ₹ 1,188.85 crore having face value of ₹ 2 each pursuant to the conversion.

(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.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

23 Equity share capital (Contd.)

(C) Shares held by Holding Company (Face value ₹ 2 per share)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Limited*	319,366,130	63.87	317,816,130	63.56

*An associate of Bajaj Holdings and Investments Limited

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Limited*	319,366,130	51.39%	317,816,130	51.34%

*An associate of Bajaj Holdings and Investments Limited

(E) Shareholding pattern of Promoters (Face value ₹ 2 per share)

Particulars	As at 31 March 2025		As at 31 March 2024		% Changes during the year	% Changes during the previous year
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Limited	319,366,130	51.39%	317,816,130	51.34%	0.49%	0.00%
Promoter Group :						
Aryaman Kejriwal	2,000	0.00%	2,000	0.00%	0.00%	Nil
Bachhraj Factories Private Limited	72,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj Allianz General Insurance Company Limited*	48,000	0.01%	-	0.00%	Nil	Nil
Bajaj Allianz Life Insurance Company Limited	247,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Limited	308,500	0.05%	308,500	0.05%	0.00%	0.00%
Baroda Industries Private Limited	117,600	0.02%	117,600	0.02%	0.00%	0.00%
Estate of Rahulkumar Bajaj	-	0.00%	-	0.00%	Nil	(100.00%)
Jamnalal Sons Private Limited	127,640	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Limited	18,974,660	3.05%	18,974,660	3.07%	0.00%	0.00%

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

23 Equity share capital (Contd.)

Particulars	As at 31 March 2025		As at 31 March 2024		% Changes during the year	% Changes during the previous year
	Nos.	% Holding	Nos.	% Holding		
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%
Nirvaan Kejriwal	2,000	0.00%	2,000	0.00%	0.00%	Nil
Rajivnayan Bajaj	1,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabhayan Bajaj	2,000	0.00%	2,000	0.00%	0.00%	Nil
Sanjali Bajaj	65,104	0.01%	65,104	0.01%	0.00%	3.17%
Sanjivnayan 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	65,104	0.01%	65,104	0.01%	0.00%	3.17%
Suman Jain	7,015	0.00%	7,015	0.00%	0.00%	(1.10%)

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

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

Particulars	No. of Stock options/ Equity shares as at	
	31 March 2025	31 March 2024
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	33,044,110	31,503,611
c. Options cancelled and added back to pool for future grants	4,247,656	4,083,318
d. Options granted net of cancellation under the scheme (d = b-c)	28,796,454	27,420,293
e. Balance available under the scheme for future grants (e=a-d)	6,274,706	7,650,867
f. Equity shares allotted to BFL Employee Welfare Trust	23,799,704	22,917,522
g. Stock options exercised	23,183,416	21,929,193
h. Balance stock options available with BFL Employee Welfare Trust (h = f-g)	616,288	988,329

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 ₹ 304.96 crore (as at 31 March 2024 ₹ 307.06 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 the shares held by the ESOP Trust towards unexercised options. Accordingly, any dividend received by the ESOP Trust is remitted back to the Company and adjusted against the source from which dividend has been paid.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

24 Other equity

(₹ in crore)

As at 31 March

Particulars	Nature and purpose	2025	2024
(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.	28,281.59	26,582.14
(ii) Retained earnings	Retained earnings represents the surplus in Profit and Loss Account post appropriations made from retained earnings.	44,459.20	33,359.19
(iii) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Company transfers a sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to section 45-IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	13,567.75	10,232.75
(iv) General reserve	Amount set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.	792.29	790.02
(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) 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.	934.86	711.50
(vii) Remeasurement of defined benefit plans	The Company recognises change on account of remeasurement of the net defined benefit liability (asset), 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).	(163.23)	(146.51)
(viii) Other comprehensive income			
(a) On equity investments	The Company has opted to recognise changes in the fair value of certain investments in equity 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 investments are derecognised.	(20.09)	50.18
(b) On debt investments	The Company recognises changes in the fair value of debt instruments held with a dual business objective to 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 instruments are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	101.90	10.07
(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.	(96.53)	(8.87)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

24 Other equity (Contd.)

		(₹ in crore)	
		As at 31 March	
Particulars	Nature and purpose	2025	2024
(d) On cost of hedging reserve	It represents the fair value of the forward element of a forward contract and the amortised portion of the forward premium. The balance in this reserve is transferred to the Statement of Profit and Loss upon the settlement of the forward contract.	4.55	-
(ix) Money received against share warrants	It represents application money received from subscriber of warrants, against which shares are yet to be allotted.	-	297.21
		87,871.54	71,886.93

25 Interest income

(₹ in crore)								
Particulars	For the year ended 31 March 2025				For the year ended 31 March 2024			
	On financial assets measured at			Total	On financial assets measured at			Total
	FVOCI	Amortised cost	FVTPL		FVOCI	Amortised cost	FVTPL	
On loans*	-	49,055.77	-	49,055.77	-	39,019.96	-	39,019.96
On investments	1,558.05	33.04	42.81	1,633.90	1,202.97	14.78	22.24	1,239.99
On deposits with bank	-	496.25	-	496.25	-	259.65	-	259.65
On others	-	362.65	-	362.65	-	263.16	-	263.16
	1,558.05	49,947.71	42.81	51,548.57	1,202.97	39,557.55	22.24	40,782.76

*Includes ₹ 1.34 crore (Previous year ₹ Nil) on account of interest income from finance lease

26 Fees and commission income

		(₹ in crore)	
		For the year ended 31 March	
Particulars		2025	2024
Service and administration charges		2,101.17	1,735.18
Fees on value added services and products		857.50	632.62
Foreclosure income		488.14	417.42
Distribution income		2,194.06	2,222.19
		5,640.87	5,007.41

27 Net gain on fair value changes

		(₹ in crore)	
		For the year ended 31 March	
Particulars		2025	2024
(A) Net gain/(loss) on financial instruments at fair value through profit or loss			
On trading portfolio			
Realised gain/(loss) on investments at FVTPL		242.09	140.95
Unrealised gain/(loss) on investments at FVTPL		9.40	(1.48)
(B) Others			
Realised gain/(loss) on sale of FVOCI debt instruments		92.51	(0.62)
		344.00	138.85

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

28 Sale of services

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Service fees for management of assigned portfolio of loans	18.11	24.05
	18.11	24.05

29 Income on derecognised (assigned) loans

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Income on derecognised (assigned) loans	459.02	-
	459.02	-

30 Other operating income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Recoveries against written off financial assets	693.27	838.32
Net realisation on sale of written off loans	162.90	0.59
Marketing, branding and allied services	466.35	100.30
Grant towards QR deployment operating expenditure*	1.21	7.14
Dividend income (Previous year ₹ 30,225)	10.96	
Others	34.48	39.38
	1,369.17	985.73

*The Company has received a Government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 1.21 crore in current year (Previous year ₹ 7.14 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under Ind AS 20 'Accounting for Government grants and disclosure of Government assistance'. The Company does not have any unfulfilled conditions relating to the grant recognised.

31 Other income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Interest on income tax refund	25.41	-
Miscellaneous income	14.69	7.18
	40.10	7.18

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

32 Finance costs

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
On financial liabilities measured at amortised cost:		
On debt securities	7,566.39	5,722.74
On borrowings other than debt securities	5,337.29	3,707.36
On subordinated liabilities	277.69	302.60
On deposits	5,140.12	4,027.88
On lease liability	78.80	59.00
On others	12.36	8.90
Other interest expenses*	24.70	14.96
	18,437.35	13,843.44

*Includes net interest on net defined benefit liability of gratuity of ₹ 19.46 crore (Previous year ₹ 12.46 crore)

33 Fees and commission expense

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Commission and incentives	79.08	91.39
Recovery costs	1,973.59	1,624.54
Credit guarantee fees	508.76	189.06
Loan portfolio management service charges	38.36	54.09
	2,599.79	1,959.08

34 Impairment on financial instruments

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
On loans	7,829.28	4,505.86
On others	53.58	66.33
	7,882.86	4,572.19

35 Employee benefits expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Employees emoluments	6,177.44	5,213.66
Contribution to provident fund and other funds	218.56	179.83
Gratuity expense	84.44	60.33
Share based payment to employees	358.37	240.94
Staff welfare expenses	68.47	154.71
	6,907.28	5,849.47

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

36 Other expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Communication expenses	168.60	152.66
Outsourcing/back office expenses	527.19	515.18
Travelling expenses	474.30	417.87
Information technology expenses	708.12	660.30
Bank charges	219.32	159.23
Net loss on disposal of property, plant and equipment and intangible assets	32.86	11.76
Auditor's fees and expenses*	1.98	1.54
Insurance charges	11.29	7.89
Rent, taxes and energy cost	109.75	66.56
Directors' fees, commission and expenses	13.10	10.14
Advertisement, branding and promotion expenses	461.24	336.34
Expenditure towards Corporate Social Responsibility activities**	263.74	185.70
Repairs, maintenance and office expenses	259.49	143.82
Employee training, recruitment and management expenses	84.92	81.36
Printing and stationery expenses	8.60	9.06
Legal and professional charges	49.20	45.45
Customer experience cost	118.82	142.30
Miscellaneous expenses ⁺	126.08	92.43
	3,638.60	3,039.59

*Includes donation of ₹ 25 crore (Previous year ₹ Nil) made to political parties.

* Payment to auditor (net of GST credit availed)[#]

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Audit fee	1.39	0.92
Tax audit fee	0.14	0.16
Limited review fees	0.30	0.30
In other capacity:		
Other services	0.08	0.09
Reimbursement of expenses	0.07	0.07
	1.98	1.54

[#]Excludes fees of ₹ Nil (Previous year ₹ 1.65 crore) incurred during the year in respect of funds raised through qualified institutional placement, adjusted against securities premium.

** Corporate Social Responsibility expenditure

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
(a) Gross amount required to be spent by the Company during the year	263.74	185.70
(b) Excess amount spent in previous financial year carried forward	-	-
(c) Net amount required to be spent by the Company during the year (a-b)	263.74	185.70
(d) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purpose other than (i) above	257.50	179.52
(e) Excess/(Shortfall) at the end of the year (d-c)	(6.24)	(6.18)
(f) Total of previous years excess/(shortfall)	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

36 Other expenses (Contd.)

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
(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, v, vi, ix, xii	Activities mentioned in i, ii, iii, iv, vi, xii
(i) Details of related party transactions (Refer Note (ii) below)	3.05	1.36
(j) Where a provision is made with respect to a liability incurred by entering into a contractual obligation		
Opening provision balance	6.18	35.28
Provision created during the year	6.24	6.18
Amount spent during the year	(6.18)	(35.28)
Closing provision balance	6.24	6.18

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

For the year ended 31 March 2025

(₹ in crore)

Particulars	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent a/c		From Company's bank a/c 2025	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
For the year 2024	-	6.18	-	-	6.18	-	-
For the year 2025	-	-	263.74	257.50	-	-	6.24

For the year ended 31 March 2024

(₹ in crore)

Particulars	Opening balance		Amount required to be spent during the year	Amount spent during the year		Closing balance	
	With Company	In separate CSR unspent a/c		From Company's bank a/c 2025	From separate CSR unspent a/c	With Company	In separate CSR unspent a/c
For the year 2022	-	14.41	-	-	14.41	-	-
For the year 2023	-	20.87	-	-	20.87	-	-
For the year 2024	-	-	185.70	179.52	-	-	6.18

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 2025. The unspent amount of ₹ 6.24 crore will 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 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 2024. The unspent amount of ₹ 6.18 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 2025, the Company has entered into a transaction with Pratham Education Foundation for ₹ 3.05 crore (previous year ₹ 1.36 crore) for implementation of its Corporate Social Responsibility activities.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

37 Exceptional items

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Profit on sale of investment in subsidiary	2,544.11	-
	2,544.11	-

On 13 September 2024, the Company sold 428,571,428 equity shares of BHFL at ₹ 70 each, aggregating to ₹ 3,000 crore, as part of BHFL's Initial Public Offer. This has resulted in a gain of ₹ 2,544.11 crore, net of issue expenses.

38 Earnings per equity share (EPS)

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.

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

Particulars	For the year ended 31 March	
	2025	2024
(A) Net profit attributable to equity shareholders (₹ in crore)	16,661.50	12,644.11
(B) Weighted average number of equity shares for basic earnings per share	618,635,684	610,032,743
Effect of dilution:		
Employee stock options	1,713,616	2,350,306
(C) Weighted average number of equity shares for diluted earnings per share	620,349,299	612,383,049
Earning per share (basic) (₹) (A/B)	269.33	207.27
Earning per share (diluted) (₹) (A/C)	268.58	206.47

39 Segment information

The Company is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with 'Operating Segments'.

40 (A) 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.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

40 (B) Transfer of financial assets that are not derecognised in their entirety

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Securitisations		
Carrying amount of transferred assets measured at amortised costs	1,976.92	-
Carrying amount of Securitisation liabilities - Borrowing other than debt securities (measured at amortised cost)	1,753.68	-
Fair value of assets (A)	1,975.04	-
Fair value of associated liabilities (B)	1,742.93	-
Net position at Fair Value(A-B)	232.11	-

41 (A) Revenue from contracts with customers

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Type of services		
Service and administration charges	2,101.17	1,735.18
Fees on value added services and products	857.50	632.62
Foreclosure charges	488.14	417.42
Distribution income	2,194.06	2,222.19
Marketing, branding and allied services	466.35	100.30
	6,107.22	5,107.71
Geographical markets		
India	6,107.22	5,107.71
Outside India	-	-
	6,107.22	5,107.71
Timing of revenue recognition		
Services transferred at a point in time	6,107.22	5,107.71
Services transferred over time	-	-
	6,107.22	5,107.71

Contract balances

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Fees, commission and other receivables	447.64	439.37
	447.64	439.37

-Impairment allowance recognised on contract balances is ₹ 1.79 crore (Previous year ₹ 1.76 crore)

-Contract asset as on 31 March 2025 is ₹ Nil (Previous year ₹ Nil)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

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

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
(i) Income from insurance intermediation		
Commission income - Life insurance	663.05	355.45
Commission income - General insurance	525.95	349.75
	1,189.00	705.20
(ii) Other income/reimbursement of cost		
Marketing, branding and allied services	466.35	100.30
Reimbursement of outsourced resource and manpower cost*	117.00	77.46
	583.35	177.76
	1,772.35	882.96

*Accounted under interest income being part of EIR

42 Employee benefit plans

(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.

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, although this will be partially offset by an increase in the value of the plan assets.
(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.

(A) Gratuity

The Company has a gratuity plan for its employees 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.

Gratuity plan is funded by the Company. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

42 Employee benefit plans (Contd.)

Actuarial liability is computed using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with an actuary and past trend. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments is recognised in the Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

Movement in defined benefit obligations

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Defined benefit obligation as at the beginning of the year	468.26	342.88
Current service cost	84.44	60.33
Past service cost	7.57	-
Interest on defined benefit obligation	32.75	24.59
Remeasurements due to:		
Actuarial loss/(gain) arising from change in financial assumptions	23.12	12.47
Actuarial loss/(gain) arising from change in demographic assumptions	11.70	13.08
Actuarial loss/(gain) arising on account of experience changes	(13.83)	33.57
Benefits paid	(12.54)	(12.46)
Liabilities assumed/(settled)*	(1.30)	(6.20)
Defined benefit obligation as at the end of the year	600.17	468.26

*Towards continuity of service offered to employees on movement

Movement in plan assets

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Fair value of plan asset as at the beginning of the year	184.20	159.74
Employer contributions	27.50	31.50
Interest on plan assets	13.29	12.13
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(1.36)	(0.51)
Benefits paid	(12.54)	(12.46)
Assets acquired/(settled)*	(1.30)	(6.20)
Fair value of plan asset as at the end of the year	209.79	184.20

*Towards continuity of service offered to employees on movement

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

42 Employee benefit plans (Contd.)

Reconciliation of net liability/asset

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Net defined benefit liability/(asset) as at the beginning of the year	284.06	183.14
Expense charged to the Statement of Profit and Loss	111.46	72.79
Amount recognised in other comprehensive income	22.36	59.63
Employers contribution	(27.50)	(31.50)
Net defined benefit liability/(asset) as at the end of the year	390.38	284.06

Expenses charged to the Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Current service cost	84.44	60.33
Past service cost	7.56	-
Interest cost	19.46	12.46
	111.46	72.79

Remeasurement (gains)/losses in other comprehensive income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening amount recognised in other comprehensive income	194.32	134.69
Changes in financial assumptions	23.12	12.47
Changes in demographic assumptions	11.70	13.08
Experience adjustments	(13.83)	33.57
Actual return on plan assets less interest on plan assets	1.36	0.51
Closing amount recognised outside profit or loss in other comprehensive income	216.67	194.32

Amount recognised in Balance Sheet

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Present value of funded defined benefit obligation	600.17	468.26
Fair value of plan assets	209.79	184.20
Net funded defined benefit obligation	390.38	284.06
Net defined benefit liability recognised in Balance Sheet	390.38	284.06

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

42 Employee benefit plans (Contd.)**Key actuarial assumptions**

Particulars	As at 31 March	
	2025	2024
Discount rate (p.a.)	6.85%	7.20%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		
Category of plan assets		
Insurer managed funds	100%	100%

Sensitivity analysis for significant assumptions

Particulars	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(32.80)	34.09	(24.46)	25.46
Impact of decrease in 50 bps on defined benefit obligation	35.62	(31.78)	26.53	(23.76)

Projected plan cash flow

Particulars	As at 31 March	
	2025	2024
Maturity Profile		
Expected benefits for year 1	26.02	26.75
Expected benefits for year 2	28.54	26.71
Expected benefits for year 3	32.04	28.92
Expected benefits for year 4	34.09	30.47
Expected benefits for year 5	45.63	33.51
Expected benefits for year 6	41.37	40.41
Expected benefits for year 7	39.73	34.83
Expected benefits for year 8	46.41	32.90
Expected benefits for year 9	53.31	37.85
Expected benefits for year 10 and above	1,176.68	924.21

Expected contribution to fund in the next year

Particulars	As at 31 March	
	2025	2024
Expected contribution to fund in the next year	26.00	27.50

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

42 Employee benefit plans (Contd.)

(B) Retirement award

Movement in defined benefit obligations

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Defined benefit obligation as at the beginning of the year	-	-
Past service cost	3.07	-
Defined benefit obligation as at the end of the year	3.07	-

Reconciliation of net liability/asset

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Net defined benefit liability/(asset) as at the beginning of the year	-	-
Expense charged to the Statement of Profit and Loss	3.07	-
Net defined benefit liability/(asset) as at the end of the year	3.07	-

Expenses charged to the Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Past service cost	3.07	-
	3.07	-

Amount recognised in Balance Sheet

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Present value of funded defined benefit obligation	3.07	-
Net defined benefit liability recognised in Balance Sheet	3.07	-

Key actuarial assumptions

Particulars	As at 31 March	
	2025	2024
	2025	2024
Discount rate (p.a.)	6.85%	NA

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

42 Employee benefit plans (Contd.)**Sensitivity analysis for significant assumptions**

(₹ in crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(0.21)	0.24	-	-
Impact of decrease in 50 bps on defined benefit obligation	0.23	(0.22)	-	-

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Maturity Profile		
Expected benefits for year 1	0.13	-
Expected benefits for year 2	0.08	-
Expected benefits for year 3	0.18	-
Expected benefits for year 4	0.14	-
Expected benefits for year 5	0.18	-
Expected benefits for year 6	0.24	-
Expected benefits for year 7	0.18	-
Expected benefits for year 8	0.38	-
Expected benefits for year 9	0.56	-
Expected benefits for year 10 and above	55.01	-

(II) Defined contribution plans

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 if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss account is as below:

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Provident fund and pension scheme of Employees' Provident Fund Organisation	182.53	153.13
National pension scheme	10.74	7.90
Superannuation fund	0.29	0.39

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

42 Employee benefit plans (Contd.)

(III) Other long-term employee benefits

(A) Compensated absences

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Maturity profile		
Present value of unfunded obligations	-	11.40
Expense recognised in the Statement of Profit and Loss	-	4.02
Discount rate (p.a.)	-	7.20%
Salary escalation rate (p.a.)	-	11.00%

(B) Long-term service benefit liability

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Present value of unfunded obligations	48.32	71.83
Expense recognised in the Statement of Profit and Loss	(15.47)	32.99
Discount rate (p.a.)	6.85%	7.20%

43 Contingent liabilities and commitments

(A) Contingent liabilities not provided for in respect of

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Disputed claims against the Company not acknowledged as debts	141.20	122.16
PF matters under appeal	110.76	-
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Bank guarantees	0.50	2.50
Service tax/Goods and Service Tax matters under appeal		
On interest subsidy [Refer footnote (ii) below]	2,422.92	2,293.64
On interest collected upfront [Refer footnote (iii) below]	874.79	-
On additional reversal of credit on investment activity [Refer footnote (iv) below]	630.32	602.06
On reversal of input tax credit on credit note by the customer	14.13	12.90
On excess claim ITC and difference in GSTR-1 Vs GSTR 3B	33.29	28.56
On others	15.48	14.90
Income tax matters:		
Appeals by the Company	72.61	1.61
Appeals by the Income tax department	-	0.28

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

43 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 received by the Company from manufacturers and dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 1,077.62 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 by the Company from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 262.76 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 Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from the Company in relation to interest collected upfront by the Company from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the of interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date the Company pays the GST liability demanded, which as at 31 March 2025 amounted to ₹ 192.21 crore. In accordance with legal advice, the Company is in the process of filing an appeal before the office of the Commissioner (Appeals), Pune disputing demand. The Company, in line with the opinion obtained from a senior 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 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 undertaken by the Company, in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest on the demand of service tax confirmed until the date the Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 253.58 crore. In accordance with legal advice, the Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (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.
- (v) 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.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

43 Contingent liabilities and commitments (Contd.)

(B) Capital and other commitments

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
Tangible	28.30	61.74
Intangible	17.80	3.78
(ii) Other commitments		
Towards partially disbursed/un-encashed loans	3,120.24	3,416.36
Towards investment	-	2,035.00
Towards future corporate social responsibility spend	178.05	218.85
	3,344.39	5,735.73

44 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 2024	Cash flows during the year (net)	Foreign exchange fluctuations	Other	As at 31 March 2025
Debt Securities	87,596.09	22,334.64	-	1,080.15	111,010.88
Borrowings (other than debt securities)	69,238.00	20,207.53	284.01	8.12	89,737.66
Deposits	59,966.66	10,668.56	-	730.30	71,365.52
Subordinated liabilities	3,577.90	(452.50)	-	(21.86)	3,103.54
Lease liability	920.93	(194.82)	-	305.88	1,031.99
	221,299.58	52,563.41	284.01	2,102.59	276,249.59

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows during the year (net)	Foreign exchange fluctuations	Other	As at 31 March 2024
Debt Securities	65,669.85	21,162.97	-	763.27	87,596.09
Borrowings (other than debt securities)	47,894.70	21,485.93	(110.49)	(32.14)	69,238.00
Deposits	44,489.79	14,751.88	-	724.99	59,966.66
Subordinated liabilities	3,630.29	(49.99)	-	(2.40)	3,577.90
Lease liability	518.48	(155.44)	-	557.89	920.93
	162,203.11	57,195.35	(110.49)	2,011.61	221,299.58

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Parent						
1. Bajaj Finserv Limited	Contribution to equity (319,366,130 shares of ₹ 2 each, previous year 317,816,130 shares of ₹ 2 each)	-	(63.87)	-	(63.56)	
	Proceeds for conversion of 1,550,000 warrants	891.64	-	-	-	
	Preferential warrants application money received	-	-	297.21	(297.21)	
	Secured non-convertible debentures issued	-	(800.00)	-	(695.00)	
	Secured non-convertible debentures redemption	195.00	-	75.00	-	
	Interest paid on non-convertible debentures	47.92	-	52.10	-	
	Inter-corporate deposits accepted	-	(550.00)	550.00	(550.00)	
	Interest accrued on inter-corporate deposits	45.82	(69.78)	31.72	(28.54)	
	Dividend paid	1,144.14	-	953.45	-	
	Asset sales	-	-	0.07	-	
	Business support charges received	0.46	-	1.42	-	
	Business support charges paid	16.52	-	17.23	-	
	Fair value of ESOP charged	4.06	-	2.89	-	
	(B) Subsidiaries					
1. Bajaj Housing Finance Limited	Investment in equity shares	2,000.00	9,121.43	-	7,528.00	
	Fair value of ESOP received	21.17	-	29.93	-	
	Loan portfolio - Assigned in	3,361.67	-	6,758.15	-	
	Asset purchases	0.93	-	0.53	-	
	Asset sales	0.02	0.02	0.55	-	
	Security deposit for leased premises	-	0.08	-	0.08	
	Business support charges received	3.67	-	5.15	-	
	Servicing fee received	7.66	-	9.70	-	
	Sourcing commission received	5.68	0.64	-	-	
	Business support charges paid	0.55	-	1.01	-	
	Rent and maintenance expenses	0.22	-	0.22	-	
	Reimbursement of share issues expenses towards BHFL IPO/OFS	23.12	(1.98)	-	-	
	Servicing fee paid	34.77	-	49.62	-	
	Sourcing commission paid	0.16	-	1.15	-	

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Financial Securities Limited	Investment in equity shares	200.00	1,070.38	200.00	870.38
	Fair value of ESOP received	1.84	-	0.64	-
	Short-term loan given	19,170.00	525.00	14,310.00	155.00
	Short-term loan repayment received	18,800.00	-	14,155.00	-
	Margin money given	-	-	10.50	-
	Margin money repayment received	-	-	5.00	-
	Interest received on short-term loan given	5.48	-	17.33	-
	Dividend received	9.68	-	-	-
	Asset sales	0.47	0.02	0.36	-
	Sourcing commission received	0.16	-	0.39	0.26
	Business support charges received	0.33	-	0.12	-
	Business support charges paid	1.39	-	1.15	-
	Sourcing commission paid	0.08	(0.02)	0.02	-
	Brokerage and allied charges paid	0.17	-	-	-
	Depository service charges paid	1.46	-	1.21	(0.18)
	Advance towards depository service charges	-	0.10	-	-
(C) Fellow subsidiaries					
1. Bajaj Allianz Life Insurance Company Limited	Contribution to equity (247,000 shares of ₹ 2 each)	-	(0.05)	-	(0.05)
	Secured non-convertible debentures issued	-	(350.00)	-	(50.00)
	Unsecured non-convertible debentures issued	70.00	(2,405.00)	70.00	(2,335.00)
	Secured non-convertible debentures redemption	-	-	200.00	-
	Interest paid on non-convertible debentures	226.53	-	223.65	-
	Dividend paid	0.89	-	0.74	-
	Asset sales	0.19	-	-	-
	Security deposit for leased premises	-	1.82	-	1.82
	Advance towards insurance	-	5.60	-	4.32
	Commission income	361.01	26.94	99.82	23.66
	Marketing, branding and allied service charges received	143.82	19.19	8.50	3.00
	Business support charges received	0.27	-	-	-
	Business support charges paid	1.70	(0.27)	-	-
	Insurance expenses	64.85	-	99.43	-
	Rent and maintenance expenses	2.79	-	2.55	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Allianz General Insurance Company Limited	Contribution to equity (48,000 shares of ₹ 2 each)	-	(0.01)	-	-
	Secured non-convertible debentures issued	-	(143.50)	-	(143.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Secured non-convertible debentures redemption	-	-	100.00	-
	Interest paid on non-convertible debentures	14.50	-	20.29	-
	Dividend paid	0.17	-	-	-
	Asset purchases	-	-	0.06	-
	Asset sales	0.06	0.06	0.13	0.13
	Advance towards insurance	-	5.45	-	0.32
	Commission income	75.73	8.00	61.48	11.05
	Interest subsidy received (previous year transaction value ₹ 35,162 reversal)	-	-	-	-
	Business support charges received	0.90	0.30	-	-
	Business support charges paid	0.44	-	-	-
	Insurance expenses	83.64	-	65.80	-
3. Bajaj Finserv Direct Limited	Investment in equity shares	-	2.69	-	2.69
	Investment in equity shares - conversion from Compulsorily convertible term loan to equity share (including securities premium)	280.47	280.47	-	-
	compulsorily convertible term loan (Deemed equity) at cost	-	-	-	280.47
	Information technology development and customisation charges	74.08	(14.66)	69.94	-
	Asset purchases	7.17	(6.65)	0.82	(0.29)
	Asset sales	1.02	-	0.22	0.06
	Business support charges received	5.09	0.11	10.17	-
	Business support charges paid	77.97	(5.12)	62.82	(4.96)
	Sourcing commission paid	158.98	(17.00)	133.02	(16.60)
	Information technology support and usage charges	23.72	(1.35)	41.85	(5.35)
	Annual maintenance charges on loan	6.32	(0.01)	6.74	-
	Guarantee/Service fees paid for FLDG	18.79	-	2.28	-
	Cash Deposit received towards First Loss Default Guarantee (FLDG) arrangement	12.04	(21.11)	22.66	(22.40)
	Invocation of deposit towards FLDG	13.33	-	0.26	-
	Interest accrued on deposit received towards FLDG	2.03	(0.36)	0.25	(0.21)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
4. Bajaj Finserv Health Limited	Asset purchases	0.07	-	-	-
	Asset sales	-	-	0.25	-
	Commission income	145.78	8.17	83.92	13.10
	Interest subsidy received (transaction value ₹ 1,710)		-	0.13	-
	Business support charges received	0.58	-	0.06	0.07
	Business support charges paid	0.42	(0.46)	-	-
	Product distribution fee	0.03	-	0.58	-
	Services received	1.69	(0.02)	0.50	-
	Settlement of security deposit on leased premises on behalf of lessor	1.79	-	-	-
5. Bajaj Finserv Asset Management Limited	Business support charges received	0.24	-	0.02	-
	Asset sales	-	-	0.04	-
6. Bajaj Finserv Ventures Limited	Asset sales (previous year outstanding ₹ 263)	0.08	-	5.62	-
	Asset purchases	7.17	(0.02)	-	-
	Business support charges received	11.00	6.22	18.46	21.78
	Business support charges paid	1.10	(1.18)	-	-
	Manpower support service charges	-	-	59.81	-
	Reimbursements of employee cost	-	-	1.41	-
(D) Associates					
1. Snapwork Technologies Private Limited	Investment in equity shares	-	28.49	-	28.49
	Investment in compulsorily convertible preference shares (Deemed equity)	-	64.25	-	64.25
	Information technology design and development charges	19.53	-	19.27	(0.83)
2. Pennant Technologies Private Limited	Investment in equity shares	-	113.75	-	113.75
	Investment in compulsorily convertible preference shares (Deemed equity)	-	153.72	153.72	153.72
	Inter-corporate deposits accepted	40.00	(40.00)	-	-
	Interest accrued on inter-corporate deposits	1.80	(1.62)	-	-
	Information technology design and development charges	28.24	(11.84)	5.56	(12.33)
	Annual maintenance charges paid	3.48	-	0.40	(0.43)
	Finance lease given	0.26	0.26	-	-
	Interest income on finance lease		-	-	-
	Advance given towards lease related transactions	0.06	0.06	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(E) Key management personnel (KMP) of the entity or its parent						
1.	Sanjiv Bajaj (Chairman and Promoter group)	Short-term employee benefits:				
		Sitting fees	0.34	-	0.26	-
		Commission	5.06	(4.55)	4.04	(3.94)
		Contribution to equity (467,688 shares of ₹ 2 each)	-	(0.09)	-	(0.09)
		Dividend paid	1.68	-	1.40	-
2.	Rajeev Jain (Managing Director till 31 Mar 2025)	Short-term employee benefits:				
		Remuneration	21.41	(7.08)	20.02	(2.87)
		Share-based payment	39.06	-	29.18	-
		Equity shares issued pursuant to stock option scheme	40.52	-	52.22	-
		Assets purchases	0.50	-	-	-
		Contribution to equity (169,950 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
		Dividend paid	0.61	-	0.51	-
		Cashback given (transaction value ₹ 666, previous year ₹ 20)		-		-
		Fastag fee received (transaction value ₹ 200)		-	-	-
3.	Rakesh Bhatt (Executive Director from 1 Apr 2023 to 31 Jan 2024)	Short-term employee benefits:				
		Remuneration	-	-	9.20	(0.19)
		Share-based payment	-	-	6.92	-
		Equity shares issued pursuant to stock option scheme	-	-	25.27	-
		Contribution to equity (130,520 shares of ₹ 2 each)	-	-	-	(0.03)
		Dividend paid	-	-	0.26	-
4.	Anup Saha (Deputy Managing Director w.e.f. 1 Apr 2024 to 31 Mar 2025)	Short-term employee benefits:				
		Remuneration	13.97	(9.19)	14.36	(7.38)
		Share-based payment	13.33	-	9.40	-
		Asset sales	0.02	-	-	-
		Loan repayment received (previous year transaction value ₹ 14,468)	-	-		-
		Fixed deposit accepted (transaction value ₹ 25,000, previous year ₹ 25,000)		(0.01)		(0.01)
		Interest accrued on fixed deposit (transaction value ₹ 8,716, previous year ₹ 5,966, outstanding ₹ 12,817, previous year ₹ 6,499)				
		Cashback given (transaction value ₹ 175, previous year ₹ 821)		-		-
		Fastag fee received (transaction value ₹ 200)		-	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
5. Rajiv Bajaj (Director and Promoter group)	Short-term employee benefits:				
	Sitting fees	0.07	-	0.07	-
	Commission	0.28	(0.25)	0.28	(0.25)
	Contribution to equity (1,000 shares of ₹ 2 each) (outstanding ₹ 2,000, previous year ₹ 2,000)	-		-	
	Dividend paid (transaction value ₹ 36,000, previous year ₹ 30,000)		-		-
6. D J Balaji Rao (Director till 28 Nov 2023)	Short-term employee benefits:				
	Sitting fees	-	-	0.06	-
	Commission	-	-	0.28	(0.25)
7. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.31	(0.01)	0.24	-
	Commission	1.20	(1.08)	0.96	(0.86)
8. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.24	-	0.17	-
	Commission	0.96	(0.86)	0.68	(0.61)
9. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.32	-	0.23	-
	Commission	1.28	(1.15)	0.92	(0.83)
10. Radhika Haribhakti (Director)	Short-term employee benefits:				
	Sitting fees	0.20	(0.01)	0.16	-
	Commission	0.76	(0.68)	0.64	(0.58)
11. Dr. Arindam Bhattacharya (Director w.e.f. 1 Apr 2023)	Short-term employee benefits:				
	Sitting fees	0.14	-	0.12	-
	Commission	0.56	(0.50)	0.44	(0.40)
	Contribution to equity (724 shares of ₹ 2 each) (outstanding ₹ 1,448, previous year ₹ 1,448)	-		-	
	Dividend paid (transaction value ₹ 26,064, previous year ₹ 21,720)		-		-
12. Tarun Bajaj (Director w.e.f. 1 Aug 2024)	Short-term employee benefits:				
	Sitting fees	0.05	-	-	-
	Commission	0.20	(0.18)	-	-
13. Ajay Kumar Choudhary (Director w.e.f. 1 Feb 2025)	Short-term employee benefits:				
	Sitting fees	0.01	-	-	-
	Commission	0.04	(0.04)	-	-
(F) Close members of the families of key management personnel of the entity or its parent					
1. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	0.05	-	0.13	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Archana Jain (Spouse of Rajiv Jain, Managing Director of the Company)	Assets Purchases	0.31	-	-	-
3. Bharti Bhatt (Mother of Rakesh Bhatt, Executive Director of the Company w.e.f. 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	-	-	0.24	(1.59)
	Fixed deposit repaid	-	-	0.04	-
	Interest accrued on fixed deposit	-	-	0.10	-
4. Hina Bhatt (Spouse of Rakesh Bhatt, Executive Director of the Company w.e.f. 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	-	-	0.60	(3.80)
	Interest accrued on fixed deposit	-	-	0.23	(0.19)
5. Tapati Saha (Spouse of Anup Saha, Deputy Managing Director of the Company w.e.f. 1 Apr 2024 to 31 March 2025)	Fixed deposit accepted	-	(1.66)	0.45	(1.66)
	Interest accrued on fixed deposit	0.14	(0.31)	0.11	(0.19)
(G) Entities in which key management personnel or close members of their families have significant influence					
1. Bajaj Auto Limited	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-	-	-	-
	Secured non-convertible debentures redemption	-	-	500.00	-
	Interest paid on non-convertible debentures	-	-	25.25	-
	Inter-corporate deposits accepted	480.00	(280.00)	500.00	(500.00)
	Inter-corporate deposits repaid	700.00	-	500.00	-
	Interest accrued on inter-corporate deposits	29.77	(13.84)	37.82	(17.91)
	Security deposit for leased premises	-	0.21	-	0.21
	Dividend received (transaction value ₹ 12,000, previous year ₹ 21,000)	-	-	-	-
	Business support charges received	-	-	3.07	-
	Interest subsidy received	-	-	1.35	-
	Business support charges paid	28.91	-	36.83	-
	Rent and maintenance expenses	1.70	-	1.59	-
	Finance lease given	8.76	8.29	-	-
	Finance lease repayment received	0.78	-	-	-
	Interest income on finance lease	0.31	-	-	-
	Advance given towards lease related transactions	1.95	1.77	-	-
	Receipt of repayment towards advance given	0.18	-	-	-
	Lease management charges received	0.04	-	-	-
	Advance given (previous year outstanding ₹ 7,615)	-	-	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Technology Limited (Formerly known as Chetak Technology Limited)	Inter-corporate deposits accepted	243.50	(223.50)	-	-
	Inter-corporate deposits repaid	20.00	-	-	-
	Interest accrued on inter-corporate deposits	8.06	(6.80)	-	-
	Finance lease given	0.40	0.39	-	-
	Finance lease repayment received	0.03	-	-	-
	Interest income on finance lease	0.01	-	-	-
	Advance given towards lease related transactions	0.10	0.09	-	-
	Receipt of repayment towards advance given	0.01	-	-	-
	Lease management charges received (transaction value ₹ 14,157)	-	-	-	-
3. Bajaj Auto Credit Limited	Asset sales (previous year outstanding ₹ 6,059)	2.55	(0.11)	0.94	-
	Finance lease given	0.34	0.34	-	-
	Finance lease repayment received (transaction value ₹ 19,048)	-	-	-	-
	Interest income on finance lease (transaction value ₹ 31,232)	-	-	-	-
	Advance given towards lease related transactions	0.08	0.08	-	-
	Receipt of repayment towards advance given (transaction value ₹ 3,869)	-	-	-	-
	Lease management charges received (transaction value ₹ 1,363)	-	-	-	-
	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-	-	-	-
4. Bajaj Holdings & Investments Limited	Security deposit for leased premises	-	0.70	0.70	0.70
	Dividend received (transaction value ₹ 6,450, previous year ₹ 9,225)	-	-	-	-
	Business support charges received	-	-	0.58	-
	Business support charges paid	21.87	-	21.55	-
	Rent and maintenance expenses	1.99	-	1.17	-
	Services received	44.84	(0.04)	42.50	(0.98)
5. Hind Musafir Agency Limited	Inter-corporate deposits accepted	198.00	(183.00)	95.00	(60.00)
	Inter-corporate deposits repaid	75.00	-	105.00	-
	Interest accrued on inter-corporate deposits	13.06	(10.22)	4.19	(1.46)
	Interest subsidy received	2.31	0.62	0.54	0.06
	Asset purchases	-	-	0.23	(0.19)
6. Bajaj Electricals Limited					

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
7. Bajel Projects Limited	Inter-corporate deposits accepted	20.00	-	-	-
	Interest accrued on inter-corporate deposits	0.61	-	-	-
	Inter-corporate deposits repaid	20.00	-	-	-
	Loan Given	203.00	21.00	-	-
	Loan repayment received	182.00	-	-	-
	Interest income on loan given	6.45	0.66	-	-
	Processing fees received	0.22	-	-	-
8. Jamnalal Sons Private Limited	Contribution to equity (127,640 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
	Dividend paid	0.46	-	0.38	-
	Security deposit repayment received	-	-	0.13	-
	Rent and maintenance expenses	-	-	0.10	-
9. Maharashtra Scooters Limited	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Secured non-convertible debentures issued	-	(150.00)	-	(200.00)
	Secured non-convertible debentures redemption	50.00	-	75.00	-
	Interest paid on non-convertible debentures	2.83	-	7.06	-
	Dividend paid	68.31	-	56.92	-
	Business support charges received	-	-	0.18	-
10. Bachhraj Factories Private Limited	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.26	-	0.22	-
11. Baroda Industries Pvt. Ltd.	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.42	-	0.35	-
12. Bajaj Sevashram Private Limited	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	(0.06)
	Dividend paid	1.11	-	0.93	-
(H) Other persons					
1. Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
2. Niraj Bajaj (Promoter group)	Nil	-	-	-	-
3. Madhur Bajaj (Promoter group)	Nil	-	-	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (A) 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	FY2024-25		FY2023-24	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(I) Post employment benefit plans						
1.	Bajaj Auto Limited Provident Fund	Unsecured non-convertible debentures issued	-	(25.00)	-	(36.00)
		Unsecured non-convertible debentures redemption	11.00	-	-	-
		Interest paid on non-convertible debentures	3.32	-	3.35	-
2.	Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.15	-	0.27	-
3.	Bajaj Auto Employees Group Gratuity Fund	Premium paid for life cover of employees	-	-	1.69	-
		Gratuity contribution	16.00	-	11.50	-
4.	Bajaj Auto Senior Staff Group Gratuity Fund	Premium paid for life cover of employees	-	-	0.02	-
		Gratuity contribution	11.50	-	20.00	-

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.
- 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 Ind AS 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 (except deemed equity and preferential warrants) 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 period, Bajaj Financial Securities Limited (Bfinsec) has charged brokerage and other transaction charges amounting to ₹ 9.00 crore (Previous year ₹ 6.11 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 2025 is ₹ 17.28 crore (Previous year ₹ 38.12 crore) towards such sale transaction on behalf of loan against shares customers has been shown as payable to customers.
- During the previous year, Bajaj Finance Limited had given ₹ 10.50 crore to Bajaj Financial Securities Limited for margin requirements out of which ₹ 5.50 crore was invested in exchange traded fund by Bajaj Financial Securities Limited in the name of Bajaj Finance Limited and redeemed by Bajaj Finance Limited during the previous year.
- 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 Ind AS 24 'Related Party Disclosures'.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (B) Disclosure of transaction with individual related parties on aggregate basis which are not part of note 45 (A)

(₹ in crore)

S. No	Nature of relationship	Nature of transaction	FY2024-25		FY2023-24	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
1	Close members of the families of key management personnel of the entity or its parent	Contribution to equity (203,005 shares of ₹ 2 each, previous year 203,300 shares of ₹ 2 each)	-	(0.04)	-	(0.04)
		Dividend Paid	0.73	-	0.61	-
2	Promoter group and close members of the families of Promoter group	Contribution to equity (186,000 share of ₹ 2 each, previous year 186,000 shares of ₹ 2 each)	-	(0.04)	-	(0.04)
		Dividend Paid	0.67	-	0.56	-

45 (C) Details of commitment given to related parties

(₹ in crore)

S. No	Name of the related party and nature of relationship	Nature of commitment	As at 31 March	
			2025	2024
A	Subsidiaries			
1	Bajaj Housing Finance Limited	Unsecured flexi term loan facility (having a tenor of up to 84 months from the date of each drawal, and interest rate at arm's length pricing.)	2,500.00	2,500.00
2	Bajaj Financial Securities Limited	Unsecured flexi term loan facility (having a tenor of up to 24 months from the date disbursement, and interest rate at arm's length pricing.)	475.00	845.00
B	Fellow subsidiaries			
1	Bajaj Finserv Direct Limited	Information technology development and customisation charges	1.22	-
		Asset purchases	-	0.06
2	Bajaj Allianz General Insurance Company Limited	Insurance expenses on assets purchases	0.02	-
C	Associates			
	Snapwork Technologies Private Limited	Information technology development and customisation charges	0.04	-
D	Entities in which key management personnel or close members of their families have significant influence			
	Bajel Projects Limited	Unsecured short-term revolving term loan and purchase bill discounting facility (having tenor of 12 months and floating interest rate at arm's length pricing)	89.00	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

45 (D) Summary of total compensation to key management personnel

S. No	Categories	(₹ in crore)	
		For the year ended 31 March	
		2025	2024
1	Short-term employee benefits	47.40	53.13
2	Share-based payment	52.39	45.51
3	Equity shares issued pursuant to stock option scheme	40.52	77.49
		140.31	176.13

45 (E) Disclosure pursuant to Schedule V of Clause A.2 of Regulation 34 (3) and Regulation 53(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Disclosures relating Loans and Advances/Investments

S. No	Loans and advances in the nature of loans	FY2024-25		FY2023-24	
		Outstanding at year End	Maximum outstanding during the year	Outstanding at year End	Maximum outstanding during the year
A	To Subsidiaries				
	Bajaj Financial Securities Limited	525.00	730.00	155.00	875.00
B	To Associates				
	Pennant Technologies Private Limited	0.32	0.32	-	-
C	To Firms/Companies in which Directors are interested (other than (A) and (B) above)				
1	Bajaj Auto Limited	10.06	10.06	-	-
2	Bajaj Auto Technology Limited (Formerly known as Chetak Technology Limited)	0.47	0.47	-	-
3	Bajaj Auto Credit Limited	0.42	0.42	-	-
4	Bajel Projects Limited	21.00	108.00	-	-
D	To investments by the loanee in the shares of parent company and subsidiary company	-	-	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

46 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)

Particulars	As at 31 March	
	2025	2024
Tier I capital	82,233.86	67,796.11
Tier II capital	3,284.64	3,166.61
Total capital (Tier I + Tier II)	85,518.50	70,962.72
Risk weighted assets	389,981.09	315,149.85
Tier I CRAR	21.09%	21.51%
Tier II CRAR	0.84%	1.01%
CRAR (Tier I + Tier II)	21.93%	22.52%

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

46 Capital (Contd.)

(iii) Dividend distributions made and proposed

The Company recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Company. A corresponding amount is recognised directly in other equity.

Dividend on equity shares declared and paid during the year

Particulars	(₹ in crore)	
	FY2024-25	FY2023-24
Dividend paid out of profits of previous year*	2,228.39	1,817.76
Profit for the relevant year	12,644.11	10,289.74
Dividend as a percentage of profit for the relevant year	17.62%	17.67%

*Includes amount paid ₹ 1.93 crore (Previous year ₹ 2.36 crore) to Trust on unexercised options which do not accrete to it.

Final dividend proposed for approval at the annual general meeting (not recognised as a liability as at 31 March 2025)

Particulars	(₹ in crore)	
	FY2024-25	
Final Dividend on equity share at ₹ 44 per share (a)	2,734.29	
Profit after tax for the year ended 31 March 2025 (b)	16,661.50	
Final dividend proposed as a percentage of profit after tax (a/b)	16.41%	

Special interim dividend proposed for approval at Board meeting (not recognised as a liability as at 31 March 2025)

Particulars	(₹ in crore)	
	FY2024-25	
Dividend on equity share at ₹ 12 per share (a)	745.61	
Profit after tax for the year ended 31 March 2025 (b)	16,661.50	
Special interim dividend proposed as a percentage of profit after tax (a/b)	4.48%	

47 Events after reporting date

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

48 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

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.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

48 Fair values (Contd.)

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.

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 instruments, 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 hedged the principal foreign currency exposure for external commercial borrowings through currency forward contracts. Fair value of forward contracts have been determined under Level 2 wherein forward rate effective for the reporting date for the value date of the derivative contract basis USD INR FWD onshore curve from Bloomberg has been considered. Net effective position of contracted forward rate and the derived forward rate for the reporting rate has been considered as the fair valuation.

Fair values of financial instruments which are subsequently measured at amortised cost have been computed using discounted cash flow models based on contractual cash flows using latest yields. In case 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, carrying value are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

48 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2025

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31 March 2025	5,308.34	-	-	5,308.34
Equity instruments designated under FVOCI (Unquoted)	31 March 2025	-	-	424.62	424.62
Equity instruments designated under FVOCI (Quoted)	31 March 2025	316.99	-	-	316.99
Debt instruments designated under FVOCI	31 March 2025	21,036.77	3,883.64	-	24,920.41
Derivative financial instruments (net)	31 March 2025	-	176.44	-	176.44
		26,662.10	4,060.08	424.62	31,146.80

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2024

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31 March 2024	3,373.77	-	-	3,373.77
Equity instruments designated under FVOCI (Unquoted)	31 March 2024	-	-	699.22	699.22
Equity instruments designated under FVOCI (Quoted)	31 March 2024	102.89	-	-	102.89
Debt instrument designated under FVOCI	31 March 2024	21,950.54	1,912.89	-	23,863.43
Derivative financial instruments (net)	31 March 2024	-	14.84	-	14.84
		25,427.20	1,927.73	699.22	28,054.15

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

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

48 Fair values (Contd.)**Fair value measurements using significant unobservable inputs (level 3)**

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

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening balance	699.22	590.09
Acquisitions during the year	35.00	-
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Transfer from level 3 to level 1	(296.89)	-
Gains/(losses) recognised in other comprehensive income	(12.71)	109.13
Closing balance	424.62	699.22

Sensitivity analysis of significant unobservable inputs on the fair value of equity instruments designated under FVOCI

	(₹ in crore)			
	Sensitivity to fair value as at 31 March 2025		Sensitivity to fair value as at 31 March 2024	
	1% increase	1% decrease	1% increase	1% decrease
Discounting rate	(28.51)	33.06	(49.87)	57.87
Cash flows	15.02	(13.10)	35.85	(31.03)

Fair value of financial instruments measured at amortised cost as at 31 March 2025

Particulars	(₹ in crore)			
	Carrying value	Fair value measurement using		
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial Assets				
Loans	304,359.16	-	-	304,703.42
Investments	193.85	-	-	194.64
	304,553.01	-	-	304,898.06
Financial liabilities				
Debt Securities	111,010.88	-	112,546.20	-
Borrowings (other than debt securities)	89,737.66	-	-	89,726.79
Deposits	71,365.52	-	-	71,680.85
Subordinated liabilities	3,103.54	-	3,140.92	-
	275,217.60	-	115,687.12	161,407.64
				277,094.76

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

48 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Loans	243,334.43	-	-	242,484.22	242,484.22
Investments	355.46	-	-	357.55	357.55
	243,689.89	-	-	242,841.77	242,841.77
Financial liabilities					
Debt Securities	87,596.09	-	88,000.26	-	88,000.26
Borrowings (other than debt securities)	69,238.00	-	-	69,238.00	69,238.00
Deposits	59,966.66	-	-	60,015.68	60,015.68
Subordinated liabilities	3,577.90	-	3,621.87	-	3,621.87
	220,378.65	-	91,622.13	129,253.68	220,875.81

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management

A summary of the major risks arising from financial instrument which are 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 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 for 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 servicing 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 current and 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 and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
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, 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 rate assets and liabilities. The Company has a market risk management module which is integrated with its treasury system; and - managed by the Company's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
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. ICAAP Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. - 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.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)**(a) Liquidity 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, External Commercial Borrowings (ECBs), public and other deposits and focuses on diversification of its sources of borrowings with an emphasis on longer tenor borrowings. The Company for the first time raised funds by way of securitisation of loan receivables in FY2025. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided the Company maintain a healthy asset liability position and interest rate during the financial year 2024-25 (FY2025). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 275,217.60 crore as of 31 March 2025 (previous year ₹ 220,378.65 crore). The weighted average cost of borrowing was 7.99% for FY2025 (previous year 7.75%).

The Company continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Company endeavours to maintain liquidity buffer of 4% to 6% of its overall net borrowings under various market scenario.

RBI vide Circular No. RBI vide Circular No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 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 Board approved 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 mandates 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 2025, the Company maintained a LCR of 124.93%, well in excess of the RBI's stipulated norm of 100%.

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 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:

As at 31 March 2025

(₹ in crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	6,687.44	12,958.28	22,756.25	55,837.21	49,001.21	147,240.39
Borrowings (other than debt securities)	20,260.62	5,992.73	17,193.27	55,427.04	167.29	99,040.95
Deposits	2,652.28	5,277.61	24,524.32	48,169.39	-	80,623.60
Subordinated liabilities	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	787.91	219.42	113.78	-	-	1,121.11
Other payables	568.66	-	237.95	-	-	806.61
Other financial liabilities	373.29	72.92	491.34	737.17	267.46	1,942.18
	31,330.20	24,569.86	65,811.52	163,107.13	49,435.96	334,254.67

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)

As at 31 March 2024

(₹ in crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	7,032.54	14,744.98	13,734.33	41,301.89	37,121.67	113,935.41
Borrowings (other than debt securities)	17,182.42	2,954.73	12,942.13	44,555.77	88.35	77,723.40
Deposits	2,925.35	5,467.84	21,706.36	37,796.43	-	67,895.98
Subordinated liabilities	-	48.90	703.15	3,479.89	-	4,231.94
Trade payables	720.48	184.99	95.92	-	-	1,001.39
Other payables	530.71	-	139.85	-	-	670.56
Other financial liabilities	363.47	113.19	463.42	685.52	224.91	1,850.51
	28,754.97	23,514.63	49,785.16	127,819.50	37,434.93	267,309.19

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

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3,374.41	-	3,374.41	3,865.15	-	3,865.15
Bank balances other than cash and cash equivalent	9,079.04	1.94	9,080.98	3,298.12	2,268.99	5,567.11
Derivative financial instruments	201.97	-	201.97	15.69	-	15.69
Trade receivables	1,416.39	-	1,416.39	1,244.89	-	1,244.89
Loans	118,565.83	185,793.33	304,359.16	94,650.65	148,683.78	243,334.43
Investments	25,628.19	16,088.04	41,716.23	22,807.52	14,345.84	37,153.36
Other financial assets	2,330.81	96.11	2,426.92	909.85	102.23	1,012.08
Non-financial assets						
Current tax assets (net)	-	404.57	404.57	-	254.68	254.68
Deferred tax assets (net)	-	1,044.14	1,044.14	-	926.71	926.71
Property, plant and equipment	-	2,531.51	2,531.51	-	2,212.46	2,212.46
Capital work-in-progress	-	26.74	26.74	-	25.35	25.35
Intangible assets under development	-	12.46	12.46	-	17.24	17.24
Other intangible assets	-	1,043.14	1,043.14	-	847.47	847.47
Other non-financial assets	190.44	40.50	230.94	98.88	38.95	137.83
	160,787.08	207,082.48	367,869.56	126,890.75	169,723.70	296,614.45

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
LIABILITIES						
Financial liabilities						
Derivative financial instrument	25.53	-	25.53	0.85	-	0.85
Trade payables	1,121.11	-	1,121.11	1,001.39	-	1,001.39
Other payables	806.61	-	806.61	670.56	-	670.56
Debt securities	38,354.15	72,656.73	111,010.88	32,424.02	55,172.07	87,596.09
Borrowings (other than debt securities)	39,337.40	50,400.26	89,737.66	29,839.52	39,398.48	69,238.00
Deposits	29,570.80	41,794.72	71,365.52	27,648.67	32,317.99	59,966.66
Subordinated liabilities	448.44	2,655.10	3,103.54	635.10	2,942.80	3,577.90
Other financial liabilities						
Lease liability	207.07	824.92	1,031.99	175.30	745.63	920.93
Others	658.65	-	658.65	700.68	-	700.68
Non-financial liabilities						
Current tax liabilities (net)	54.97	-	54.97	82.71	-	82.71
Provisions	25.08	439.19	464.27	24.55	360.68	385.23
Other non-financial liabilities	462.42	30.70	493.12	439.23	23.69	462.92
	111,072.23	168,801.62	279,873.85	93,642.58	130,961.34	224,603.92

(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, equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk**On assets and liabilities**

For floating rate assets and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate financial assets and liabilities, as follows:

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	69,034.02	690.34	(690.34)
Borrowings (other than debt securities)	51,937.97	(519.38)	519.38

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	44,796.50	447.97	(447.97)
Borrowings (other than debt securities)	44,708.42	(447.08)	447.08

(ii) Price risk

The Company's quoted equity investments, mutual funds and Invit 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 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	316.99	316.99	31.70	(31.70)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	21,036.77	21,036.77	210.37	(210.37)
Investment at FVTPL	5,308.34	5,308.34	53.08	(53.08)

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	102.89	102.89	10.29	(10.29)
Investment at FVTPL	2,520.69	2,520.69	252.07	(252.07)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	21,950.54	21,950.54	219.51	(219.51)
Investment at FVTPL	3,373.77	3,373.77	33.74	(33.74)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)**(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 and Coupon). As a matter of prudence, the Company hedges the entire ECB exposure for the full tenure as per its Board approved 'Interest rate and Currency risk hedging policy'.

The Company evaluates its fully hedged cost for raising ECB. The Company manages its currency risks by entering into over the counter (OTC) derivatives contracts such as cross currency swaps and forwards as hedge positions and the same are being governed through the Board approved 'Interest rate and Currency risk hedging policy'. These derivative contracts are entered with counterparties (banks) with strong credit rating to ensure that the effect of credit risk does not dominate the changes that result from the established economic relationship.

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

Particulars	As at 31 March	
	2025	2024
Hedged		
ECB (USD 1,800 million, previous year USD 725 million)	(15,091.03)	(6,015.79)
Derivative financial instrument*	15,091.03	6,015.79
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

Foreign currency sensitivity impact on profit after tax and OCI

The sensitivity of the changes in the exchange rates arises mainly from foreign currency denominated financial instrument and from derivative financial instruments i.e forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. Company has considered a sensitivity of +/-5% for increase and decrease against the relevant foreign currencies to calculate the impact on OCI.

Particulars	Impact on profit after tax		Impact on OCI	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD sensitivity				
INR/USD - increase by 5%	-	-	789.13	311.96
INR/USD - decrease by 5%	-	-	(789.13)	(311.96)

Interest rate sensitivity impact on profit after tax and OCI

The sensitivity of the changes in the interest rates from derivative financial instruments i.e forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. Company has considered a sensitivity of +/-1% for related interest rate changes to calculate the impact of OCI.

Particulars	Impact on profit after tax		Impact on OCI	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Interest rate - increase by 1%	-	-	282.01	142.15
Interest rate - decrease by 1%	-	-	(290.77)	(147.30)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (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. The hedge ratio established remains at 1:1 for the hedge relationship as the underlying risks and notional amount of the hedging instrument are identical to that of the hedged items.

Impact of hedge on the Balance Sheet

As at 31 March 2025

		(₹ in crore)	
Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract	643.74	3.06	-

As at 31 March 2024

		(₹ in crore)	
Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	6,015.79	15.69	0.85

(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 spread across secured and unsecured products. 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: which are not credit impaired as on date 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. 3.3 (i)

Computation of impairment on financial instruments

The Company calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial Instruments'. 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 3.3 (i).

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)

The Company recalibrates components of its ECL model periodically by: (1) using the available incremental and recent information, except where such information does 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 the Board.

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:

Lending verticals	Nature of businesses	PD			EAD	LGD
		Stage 1	Stage 2	Stage 3		
Urban sales finance	Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates.	Emperical performance across different DPD (Days Past Due) ranges	100%	Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.	LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.
Two and three wheeler finance	Two and three wheeler financing					
Urban B2C	Personal loans to salaried and self employed individuals					
SME lending (excluding car loans)	Unsecured and secured loans to SME's, self employed customers and professionals					
Rural sales finance	Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends					
Rural B2C (excluding gold loan)	Personal loans to salaried, self employed customers, professionals					
Gold loans	Loans with underlying security as gold				Based on Management judgement	
Car loans	New and used car financing				Proxy from Two wheeler finance portfolio	
Mortgages	Home loans, loans against property and lease rental discounting	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates.				Based on Management judgement
Loan against securities	Loans against shares, mutual funds, deposits and insurance policies	Based on Management judgement			100%	Based on Management judgement
Commercial lending	Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.	Basis external credit rating				

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (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 2025

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	143,338.34	2,036.55	1,674.29	158,662.17	3,046.71	2,003.46
Allowance for ECL	538.19	427.72	790.69	2,229.50	1,249.61	1,166.65
ECL coverage ratio	0.38%	21.00%	47.23%	1.41%	41.02%	58.23%

As at 31 March 2024

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	117,305.69	1,625.57	1,179.85	124,225.53	2,095.36	1,420.53
Allowance for ECL	345.73	271.62	630.48	1,581.83	850.63	837.81
ECL coverage ratio	0.29%	16.71%	53.44%	1.27%	40.60%	58.98%

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
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Gold loans	Pledge of gold jewellery
SME lending (Secured)	Hypothecation of underlying equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral.
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

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)

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.

Guarantee cover taken on loans

The Company takes guarantee cover for certain qualifying portfolios under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC). Further, the Company had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to qualifying customers.

Analysis of concentration risk

The Company focuses on granulation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

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, EAD 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 forecasted 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 observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Company evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), unemployment rate, crude oil prices and policy interest rates etc.

Based on correlation results real GDP and unemployment rate reflected acceptable correlation with past observed default rates and basis their linkage with Company's business 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. GDP has a direct relation with the overall income levels and thus the growth of the economy from both income and output side. 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.

In FY2025, unemployment rate over the quarters has been oscillating around 7-9%.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

49 Financial risk management (Contd.)

- While formulating the central scenario for the year end, the Company has considered current unemployment rate as a quarterly average of 8.4% which may move towards an average of 7.6% over the next few years.
- For the downside scenario, the Company believes that the downside risks might have passed, but the downside peak unemployment rate might reach 11.7%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.6% within next two 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 2026 but may come back to a historical average of 7.6%.
- For real GDP growth, the Company has chosen to follow the RBI predictions. The real GDP growth for Q3 2025 was 6.2% y-o-y.
- The Company has considered the RBI projected real GDP growth forecast of 6.5% y-o-y in the central scenario. The real GDP growth rate is expected to moderate to 6.1% over a 3-year period.
- For the downside scenario, the Company considers that the risk may continue due to various uncertainties such as geopolitical and tariff tension and therefore assumes the GDP growth to reduce to 3.3% in Q1 FY2027, which is aligned to the lowest pre COVID GDP growth levels. Real GDP growth is subsequently expected to normalise to around 6.1% within next two years.
- For the upside scenario, an optimistic GDP estimate of 10.3% has been considered for Q1FY2027, which is aligned to the highest pre COVID GDP growth levels, before averaging back to 6.1% over two years.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Gross carrying amount of loans	310,761.52	247,852.53
Reported ECL on loans	6,402.36	4,518.10
Reported ECL coverage	2.06%	1.82%
Base ECL without macro overlay	6,369.36	4,312.10
Add : Management overlay	-	84.00
ECL before adjustment for macro economic factors	6,369.36	4,396.10
ECL amounts for alternate scenario		
Central scenario (80%)	6,415.30	4,517.35
Downside scenario (10%)	6,804.07	4,968.22
Upside scenario (10%)	5,897.20	4,074.01
Reported ECL	6,402.36	4,518.10
Management and macro economic overlay	33.00	206.00
-Management overlay	-	84.00
-Overlay for macro economic factors	33.00	122.00
ECL coverage ratios by scenario		
Central scenario (80%)	2.06%	1.82%
Downside scenario (10%)	2.19%	2.00%
Upside scenario (10%)	1.90%	1.64%

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

50 Employee stock option plan**(A) Employee stock option plan of Bajaj Finance Limited**

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 shares 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 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	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	-	-
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	-	-	1,565,500	369,500	-	-
24-May-16	765.37	1,430,000	24,250	-	1,180,375	225,375	-	24,250
17-May-17	1,347.75	1,120,750	47,435	-	929,328	141,363	2,624	47,435
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
1-Feb-18	1,677.85	120,000	1,000	-	70,036	48,964	-	1,000
17-May-18	1,919.95	1,273,416	140,590	-	925,701	206,214	911	140,590
16-May-19	3,002.75	1,123,900	399,218	-	638,589	86,093	-	399,218
19-May-20	1,938.60	2,054,250	699,865	-	1,173,040	181,345	-	699,865
27-Apr-21	4,736.55	936,643	360,207	205,842	301,773	68,821	-	566,049
26-Apr-22	7,005.50	1,003,756	382,453	473,729	65,406	82,168	-	856,182

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

50 Employee stock option plan (Contd.)

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
25-Jul-22	6,258.25	19,349	-	3,772	15,577	-	-	3,772
26-Apr-23	6,075.25	1,563,397	286,524	1,086,111	99,561	91,201	-	1,372,635
25-Apr-24	7,329.15	1,536,609	-	1,494,617	-	41,992	-	1,494,617
12-Sep-24	7,345.55	3,890	-	3,890	-	-	-	3,890
		33,044,110	2,341,542	3,267,961	23,183,416	4,247,656	3,535	5,609,503

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	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	-	-
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	25,750	-	1,539,750	369,500	-	25,750
24-May-16	765.37	1,430,000	59,375	-	1,145,250	225,375	-	59,375
17-May-17	1,347.75	1,120,750	135,999	-	842,077	141,363	1,311	135,999
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
1-Feb-18	1,677.85	120,000	8,888	-	62,148	48,964	-	8,888
17-May-18	1,919.95	1,273,416	296,430	-	770,772	206,214	-	296,430
16-May-19	3,002.75	1,123,900	512,160	-	525,647	86,093	-	512,160
19-May-20	1,938.60	2,054,250	762,611	441,791	668,503	181,345	-	1,204,402
27-Apr-21	4,736.55	936,643	306,997	426,758	141,013	61,875	-	733,755
26-Apr-22	7,005.50	1,003,756	212,901	737,028	14,912	38,915	-	949,929
25-Jul-22	6,258.25	19,349	13,691	5,658	-	-	-	19,349
26-Apr-23	6,075.25	1,563,397	-	1,543,752	591	19,054	-	1,543,752
		31,503,611	2,334,802	3,154,987	21,929,193	4,083,318	1,311	5,489,789

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

Particulars	FY2024-25		FY2023-24
Grant date	25-Apr-24	12-Sep-24	26-Apr-23
No. of options granted	1,536,609	3,890	1,563,397
Weighted average fair value (₹)	3,120.47	3,025.59	2,756.16

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

50 Employee stock option plan (Contd.)

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

As on 31 March 2025

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
For all grants				
Outstanding at the beginning of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Granted during the year	1,540,499	7,329.15-7,345.55	7,329.19	
Cancelled during the year	164,338	4,736.55-7,329.15	6,583.90	
Lapsed during the year	2,224	1,347.75-1,919.95	1,582.14	
Exercised during the year	1,254,223	448.16-7,005.50	2,868.61	
Outstanding at the end of the year	5,609,503	765.37-7,345.55	5,514.62	4.82
Exercisable at the end of the year	2,341,542	765.37-7,005.50	3,858.88	2.91

As on 31 March 2024

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
For all grants				
Outstanding at the beginning of the year	5,481,470	219.66-7,005.50	3,259.66	4.42
Granted during the year	1,563,397	6,075.25	6,075.25	
Cancelled during the year	71,147	1,938.60-7,005.50	5,133.47	
Lapsed during the year	1,311	1,347.75	1,347.75	
Exercised during the year	1,482,620	219.66-7,005.50	1,802.04	
Outstanding at the end of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Exercisable at the end of the year	2,334,802	448.16-7,005.50	2,943.24	2.98

The weighted average market price of equity shares for options exercised during the year is ₹ 7,542.71 (Previous year ₹ 6,920.42).

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

50 Employee stock option plan (Contd.)

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
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1,563,397	4 years on SLM basis
25-Apr-24	7.10%	5 years	36.87%	0.41%	7,329.15	1,536,609	4 years on SLM basis
12-Sep-24	6.68%	5 years	36.29%	0.49%	7,345.55	3,890	4 years on SLM basis

*Adjusted for sub-division of shares and issue of bonus shares thereon

For the year ended 31 March 2025, the Company has accounted expense of ₹ 353.99 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 237.66 crore). The balance in employee stock option outstanding account is ₹ 934.86 crore as of 31 March 2025 (Previous year ₹ 711.50 crore).

(B) Employee stock option plan of Bajaj Finserv Limited

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 is 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 2025, the Company has accounted expense of ₹ 4.38 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 3.28 crore)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

51 Ultimate beneficiary

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 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 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.

52 Relationship with struck off companies

Transactions with companies whose names have been struck off under section 248 of Companies Act, 2013 or section 560 of Companies Act, 1956 in the financial years ended 31 March 2025 and 31 March 2024 are given below:

(₹ 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	
				2025	2024
1	Abhilash Global Corporation Private Limited	Loan receivable	No	0.02	0.05
2	Adwave Publicity and Media Private Limited	Loan receivable	No	-	-
3	Alpic Formulations Private Limited	Loan receivable	No	0.02	0.04
4	Asquare Events And Production Private Limited	Loan receivable	No	0.13	0.13
5	Astor Metal Industries Private Limited	Loan receivable	No	-	0.18
6	Attract Force Management Service Private Limited	Loan receivable	No	-	0.03
7	Balsam Publishing House Private Limited	Loan receivable	No	-	-
8	Bhandari Hotels Private Limited	Loan receivable	No	0.08	0.08
9	Colimetrics Software Private Limited	Loan receivable	No	-	-
10	Criper Garments (India) Private Limited	Loan receivable	No	-	-
11	CSE Computer Solutions East Private Limited	Loan receivable	No	0.06	0.10
12	Daffodils Daily (OPC) Private Limited	Loan receivable	No	0.10	0.11
13	First Office Solutions India Private Limited	Loan receivable	No	0.01	0.04
14	First Paper Idea India Private Limited	Loan receivable	No	0.11	0.11
15	Grabstance Technologies Private Limited	Loan receivable	No	-	0.01
16	Green Way Super Market Private Limited	Loan receivable	No	0.11	0.11
17	Hunting Hawks Security and Facility Services Private Limited	Loan receivable	No	-	-
18	Hyper Collective Creative Technologies Private Limited	Loan receivable	No	-	-
19	Indira Smart Systems Private Limited	Loan receivable	No	0.07	0.08
20	Indochin Electrotech Private Limited	Loan receivable	No	0.13	0.13
21	Invision Entertainment Private Limited	Loan receivable	No	-	0.13
22	Janhavi Exim Private Limited	Loan receivable	No	-	-
23	Jey Pee Nets Private Limited	Loan receivable	No	-	-
24	Kool Gourmet Private Limited	Loan receivable	No	0.10	0.10
25	Koolair Systems Private Limited	Loan receivable	No	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

52 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	
				2025	2024
26	Lift And Tech Engineering Contractors Private Limited	Loan receivable	No	-	-
27	M N S Logistics Private Limited	Loan receivable	No	-	-
28	M.Y. Transport Company Private Limited	Loan receivable	No	3.05	-
29	Mazda Agencies Private Limited	Loan receivable	No	-	-
30	Mechwing Engineering and Services Private Limited	Loan receivable	No	-	0.08
31	Multitech System Industrial Automation Private Limited	Loan receivable	No	-	-
32	Nur Automation Private Limited	Loan receivable	No	-	0.06
33	PMK Vastra Overseas Private Limited	Loan receivable	No	-	-
34	Priyanka Management Solutions (India) Private Limited	Loan receivable	No	-	-
35	R. R. Movers and Logistics Private Limited	Loan receivable	No	-	0.13
36	Relied Staffing Solution Private Limited	Loan receivable	No	-	0.12
37	S K S Bio - Analytical Systems Private Limited	Loan receivable	No	-	-
38	Shrine Infrastructure Private Limited	Loan receivable	No	0.61	0.52
39	Singh Hindustan Marine Private Limited	Loan receivable	No	-	-
40	Solaris People Solutions Private Limited	Loan receivable	No	-	-
41	Spice Flora (India) Private Limited	Loan receivable	No	-	-
42	Sri Beera Barji Trading Co. Private Limited	Loan receivable	No	-	0.05
43	Sun-Moon Couriers Private Limited	Loan receivable	No	-	-
44	Tejas India Buildtech Private Limited	Loan receivable	No	0.14	0.14
45	Thanvee Sree Foods Private Limited	Loan receivable	No	-	-
46	Times Partner Services Private Limited	Loan receivable	No	-	-
47	Tulsians Kharidiye Private Limited	Loan receivable	No	-	-
48	Underground Pipeline And Non-Destructive Testing Services Private Limited	Loan receivable	No	-	-
49	Valueaid Hr Services (OPC) Private Limited	Loan receivable	No	-	-
50	Keen Financial Services Private Limited	Payables	No	-	-
51	Keynote Management Accountancy And Consulting Private Limited	Payables	No	-	-
52	Daytoday Technologies (OPC) Private Limited	Payables	No	-	-
53	Akshda Well Wisher Advisory (OPC) Private Limited	Payables	No	-	-
54	Aleem Autos Private Limited	Payables	No	-	-
55	Visakam Motors Private Limited	Payables	No	-	-

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

53 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 2025 and previous year ended 31 March 2024, the quarterly statements or returns of current assets filed by the Company with banks are in agreement with books of accounts.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time**(A) Capital**

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(i) CRAR (%)	21.93%	22.52%
(ii) CRAR -Tier I Capital (%)	21.09%	21.51%
(iii) CRAR -Tier II Capital (%)	0.84%	1.01%
(iv) Amount of subordinated liabilities raised as Tier II capital (Raised during the year ₹ Nil, previous year ₹ Nil)	3,103.54	3,577.90
(v) Amount raised by issue of Perpetual Debt Instruments	-	-
(vi) Discounted value of tier II bonds considered for the purpose of Tier II capital	650.85	1,239.05

(B) Investments

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(I) Value of investments		
(i) Gross value of investments		
- In India	41,586.74	37,061.64
- Outside India	-	-
(ii) Provisions for depreciation/amortisations/(appreciation)		
- In India	(129.49)	(91.72)
- Outside India	-	-
(iii) Net value of investments		
- In India	41,716.23	37,153.36
- Outside India	-	-
(II) Movement of provisions held towards depreciation/appreciation/amortisation on investments		
(i) Opening balance	(91.72)	96.29
(ii) Add: Provisions made during the year (net of appreciation)	(95.72)	(186.13)
(iii) Less: Write-off/write-back of excess provisions during the year	(57.95)	1.88
(iv) Closing balance	(129.49)	(91.72)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(C) Derivatives

(I) Forward rate agreement/interest rate swap

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(i) The notional principal of swap agreements	643.74	-
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	-	-
(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	(2.95)	-

-For Accounting Policy and Risk Management Policy. (Refer note no. 3.11 and 49)

[#]Concentration of credit risk arising from swaps with banks.

(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. 3.11 and 49)

Quantitative disclosure

(₹ in crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Currency derivatives*	Interest rate derivatives	Currency derivatives*	Interest rate derivatives
(i) Derivatives (notional principal amount) for hedging	15,091.03	643.74	6,015.79	-
(ii) Marked to market positions				
(a) Asset	201.97	-	15.69	-
(b) Liability	22.58	2.95	0.85	-
(iii) Credit exposure**	1,855.55	6.44	677.42	-
(iv) Unhedged exposures [#]	-	-	-	-

*Includes cross currency interest rate swaps

[#]Refer Foreign Currency risk under note 49

**Credit Exposure is calculated using current exposure method i.e. converting the notional amount of the derivative transaction into a credit equivalent amount by multiplying the amount by the specified credit conversion factor and addition of gross positive mark-to-market value of all contracts as specified in Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023.

As at 31 March 2025

As at 31 March 2024

Amounts disclosed as per the behaviouralised pattern

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(E) Exposures

(I) Exposure to real estate sector

(₹ in crore)

Category	As at 31 March	
	2025	2024
(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	9,208.25	8,161.25
(b) Commercial real estate lending secured by mortgages on commercial real estates	10,178.03	8,989.26
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures:		
- Residential	140.28	192.61
- Commercial real estate	-	-
(ii) Indirect exposure		
Fund based and non-fund based exposures on National Housing Bank and Housing Finance Companies	4,632.82	3,810.89
Investment in Housing Finance Companies	9,121.43	9,528.00

-In addition to above, the Company has loan exposures amounting ₹ 8,146.44 crore as on 31 March 2025 (Previous year ₹ 6,678.76 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	
	2025	2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity oriented mutual funds the corpus of which is not exclusively invested in corporate debt; (Refer note (a) below)	11,979.58	10,399.27
(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; (Refer note (b) below)	4,590.45	4,571.04
(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 (c) below)	38,042.32	27,885.32
(iv) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	1,842.50	1,258.73
(v) Financing to stockbrokers for margin trading	721.58	-
(vi) All exposures to Alternative Investment Funds: (i) Category III	-	225.00
Total Exposure to Capital Market	57,176.43	44,339.36

Note:

- (a) Includes investments in equity shares of own subsidiaries amounting to ₹ 10,191.81 crore current year (Previous year ₹ 8,398.38 crore). Accordingly, previous year numbers have been updated to give this effect and make it comparable.
- (b) Includes loan against pledge of shares by promoters of other companies amounting to ₹ 55.41 crore in current year (Previous year ₹ 50.32 crore)
- (c) Includes loan against pledge of shares by promoters of other companies amounting to ₹ 8,066.85 crore in current year (Previous year ₹ 6,597.72 crore).

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)**(III) Intra-group exposures**

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Total amount of intra-group exposures	3,619.27	3,500.00
Total amount of top 20 intra-group exposures	3,619.27	3,500.00
Percentage of intra-group exposures to total exposure of the borrowers/ customers	0.98%	1.19%

(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 ₹ Nil). (Refer note no. 49(b)(iii)).

(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 ₹ 163,712.34 crore (Previous year ₹ 127,741.42 crore). Unsecured advances constitutes 52.68% (Previous year 51.54%) of the total loans and advances. There are no advances secured against intangible assets.

(F) Registration obtained from other financial sector regulators

Regulator	Registration no.	Valid Up to
Insurance Regulatory and Development Authority of India (IRDAI) – Corporate agent	CA0101	Valid till 31-Mar-28
AMFI Registered Mutual Fund Advisor (ARMFA)	ARN - 90319	Valid till 26-Jun-28

(G) Details of penalties and strictures imposed by RBI and other regulators**Current year:**

- 1) IRDAI levied a penalty of ₹ 2 crore on Bajaj Finance Limited on 15 July 2024 for non-adherence of IRDAI (Registration of Corporate Agents) Regulations, 2015, (i) with respect to reconciliation of commission and professional fees received and that reported to the Authority; and (ii) with respect to maintenance of records of customer documentation. Further, IRDAI also issued additional directions to the Company and advised the Company to comply with those directions in a time-bound manner. The Company has taken necessary corrective actions in this respect.

Previous year:

- 1) Reserve Bank of India (RBI) vide order dated 28 September 2023 imposed a monetary penalty of ₹ 8.50 lakh (rupees eight lakh fifty thousand only) on the Company for non-compliance with the 'Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016' issued by RBI. The Company has since taken necessary corrective actions in this respect.
- 2) RBI vide order dated 15 November 2023, under section 45L(1)(b) of RBI Act, 1934, directed the Company to stop sanction and disbursal of loans under its two lending products namely, 'eCOM' and 'Insta EMI Card', with immediate effect on account of certain deficiencies observed

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

in implementation of the extant provisions of Digital lending guidelines of Reserve Bank of India, particularly non issuance of Key Fact Statements to the borrowers under these two lending products and the deficiencies in the Key Fact Statements issued in respect of other digital loans sanctioned by the Company. Further, RBI advised that these supervisory restrictions will be reviewed upon the rectification of the said deficiencies to the satisfaction of RBI.

The Company made required changes in response to the regulatory restriction imposed by RBI on the Company, on sanction and disbursement of loans under 'eCOM' and 'Insta EMI Card' and formally requested RBI for review and removal of these restrictions. The RBI vide its letter dated 2 May 2024, based on the remedial actions taken by the Company, conveyed its decision of lifting this restriction with immediate effect.

(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
Moody's	Entity level	Long-term issuer rating of 'Baa3' with stable outlook	New Rating
		Short-term rating of 'P-3'	New Rating
S&P Global	Entity level	Long-term issuer rating of 'BBB-' with positive outlook	Nil
		Short term rating of 'A-3'	Nil

- S&P Global ratings, on 17 March 2025, upgraded long-term outlook for the Company from 'stable' to 'positive'

- S&P Global ratings, on 17 March 2025, upgraded the Company's standalone credit profile (SACP) rating from 'BBB-' to 'BBB'

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)**(I) Remuneration of non-executive Directors**

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Anami N Roy	1.51	1.20
D J Balaji Rao ('up to 28 November 2023')	-	0.34
Dr. Naushad Forbes	1.20	0.85
Dr. Arindam Bhattacharya ('appointed w.e.f. 1 April 2023')	0.70	0.56
Pramit Jhaveri	1.60	1.15
Radhika Haribhakti	0.96	0.80
Rajiv Bajaj	0.35	0.35
Sanjiv Bajaj	5.40	4.30
Ajay Kumar Choudhary ('appointed w.e.f. 1 February 2025')	0.05	-
Tarun Bajaj ('appointed w.e.f. 1 August 2024')	0.25	-

-Excluding taxes

(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	
	2025	2024
Provision for non performing assets*	489.05	79.42
Provision for income tax (including adjustment for earlier years)	5,104.03	4,436.00
Provision for standard assets**	1,395.21	597.84
Provision for employee benefits	79.04	130.77
Provisions for depreciation on investment#	-	1.48
Provision for financial assets other than loans	2.58	2.26

*Represents impairment loss allowance on stage 3 loans

**Represents impairment loss allowance on stage 1 and stage 2 loans

#Represents unrealised loss on investments at FVTPL

(K) Draw Down from Reserves

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

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

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

(I) Concentration of deposits

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Total deposits of twenty largest depositors	11,194.76	8,993.65
Percentage of deposits to twenty largest depositors to total deposits	15.69%	15.00%

(II) Concentration of advances

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Total advances to twenty largest borrowers	10,203.84	9,005.13
Percentage of advances to twenty largest borrowers to total advances	3.28%	3.63%

-The above advances denote gross carrying amount

(III) Concentration of exposures

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Total exposure to twenty largest borrowers/customers	14,032.99	12,696.64
Percentage of exposures to twenty largest borrowers/customers to total exposure on borrowers/customers	3.80%	4.31%

-The above exposures include on-Balance Sheet and off-Balance Sheet exposure on borrowers/customers

(IV) Concentration of NPAs

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Total exposure to top four NPA accounts	39.43	47.83

-The above exposures denotes gross carrying amount

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)**(V) Sectoral exposure**

Sector	As at 31 March 2025			As at 31 March 2024		
	Total Exposure (includes on- Balance Sheet and off- Balance Sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	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 (₹ in crore)	Percentage of Gross NPAs to total exposure in that sector
1. Agriculture and allied activities	1,221.59	17.78	1.46%	325.50	16.16	4.96%
2. Industry	27,835.58	156.51	0.56%	21,687.57	108.93	0.50%
i. Other industries	12,825.40	156.51	1.22%	10,881.62	108.93	1.00%
ii. Industry - Large	15,010.18	-	0.00%	10,805.95	-	0.00%
3. Services	115,371.77	1,015.64	0.88%	95,076.07	757.30	0.80%
i. Transport operators	7,615.91	334.98	4.40%	7,835.35	300.37	3.83%
ii. Professional services	21,575.18	134.37	0.62%	17,016.92	76.34	0.45%
iii. Retail trade	29,421.68	412.49	1.40%	25,029.47	282.87	1.13%
iv. Commercial real estate	10,178.03	0.30	0.00%	8,989.25	-	0.00%
v. NBFCs	18,807.47	0.87	0.00%	16,527.29	4.48	0.03%
vi. Other services	27,773.50	132.63	0.48%	19,677.79	93.24	0.47%
Of 3. Services:						
(a) Micro and small enterprises	24,307.85	289.49	1.19%	17,727.62	107.17	0.60%
(b) Large enterprises	17,793.98	-	0.00%	12,682.64	-	0.00%
(c) Others	73,269.94	726.15	0.99%	64,665.81	650.13	1.01%
4. Personal Loans	225,184.45	2,487.82	1.10%	177,633.23	1,717.99	0.97%
i. Consumer durables	35,476.18	217.43	0.61%	29,002.79	164.31	0.57%
ii. Vehicle/Auto loans	22,186.64	704.49	3.18%	18,941.32	358.96	1.90%
iii. Advances to individuals against shares, bonds	18,449.75	0.58	0.00%	12,594.27	0.13	0.00%
iv. Advances to individuals against gold	8,311.66	24.95	0.30%	4,608.46	29.39	0.64%
v. Other retail loans	140,760.22	1,540.37	1.09%	112,486.39	1,165.20	1.04%
	369,613.39	3,677.75	1.00%	294,722.37	2,600.38	0.88%

*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.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(M) Movement of NPAs

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
(i) Net NPAs to net advances (%)	0.56%	0.46%
(ii) Movement of NPAs (Gross)		
(a) Opening balance	2,600.38	2,175.49
(b) Additions during the year	11,044.26	6,903.21
(c) Reductions during the year (including loans written off)	9,966.89	6,478.32
(d) Closing balance	3,677.75	2,600.38
(iii) Movement of net NPAs		
(a) Opening balance	1,132.09	786.62
(b) Additions during the year	1,114.09	627.41
(c) Reductions during the year	525.77	281.94
(d) Closing balance	1,720.41	1,132.09
(iv) Movement of provisions for NPAs		
(a) Opening balance	1,468.29	1,388.87
(b) Provisions made during the year	9,930.17	6,275.80
(c) Write-off/write-back of excess provisions	9,441.12	6,196.38
(d) Closing balance	1,957.34	1,468.29

(N) Disclosure of complaints

Customer complaints

Particulars	For the year ended 31 March	
	2025	2024
Number of complaints pending at the beginning of the year	10	7
Number of complaints received during the year	5,446	6,530
Number of complaints disposed during the year	5,453	6,527
Of which, number of complaints rejected during the year	829	166
Number of complaints pending at the end of the year	3	10

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)**Complaints from Office of Ombudsman**

Particulars	For the year ended 31 March	
	2025	2024
Number of maintainable complaints received from Office of Ombudsman	1,612	1,932
Number of complaints resolved in favour by Office of Ombudsman	749	846
Number of complaints resolved through conciliation/mediation/ advisories issued by Office of Ombudsman	649	939
Number of complaints resolved after passing of awards by Office of Ombudsman against the NBFC	-	-
Others [#]	214	147
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 2024-25					
Co-branded credit card [#]	10	714	(56%)	3	3
Debt management services	-	1,914	36%	-	-
Sales process related	-	531	31%	-	-
Credit bureau related	-	446	1015%	-	-
Payments (wallet) related	-	531	(51%)	-	-
Others	-	1,310	20%	-	-
	10	5,446		3	3
FY 2023-24					
Co-branded credit card [#]	7	1,605	(61%)	10	-
Debt management services	-	1,406	35%	-	-
Customer profile related	-	623	(28%)	-	-
Communication related	-	715	49%	-	-
Payments (wallet) related	-	1,087	351%	-	-
Others	-	1,094	68%	-	-
	7	6,530		10	-

[#]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 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(O) Disclosure of gold loan portfolio

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Total gold loan portfolio	8,311.66	4,608.46
Total assets (Loans)	310,761.52	247,852.53
Gold loan portfolio as % of total assets	2.67%	1.86%

-The above exposures denotes gross carrying amount

(P) Disclosure of gold auction

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Number of loan accounts	11,605	9,763
Outstanding amount	96.27	66.01
Value fetched on auctions	104.36	69.16

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

(Q) The disclosures as required by the Master Direction -Fraud Risk Management in NBFCs (Reserve Bank) Directions, 2024

Particulars	For the year ended 31 March 2025		For the year ended 31 March 2024	
	No. of cases	₹ in crore	No. of cases	₹ in crore
Lending related fraud	1,735	43.14	1,370	31.58
Wallet related fraud	1,044	0.92	1,934	2.74

(R) Disclosures as required for liquidity risk

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

As at 31 March

Particulars	2025	2024
Borrowings		
Number of significant counter parties	17	14
Amount (₹ in crore)	107,496.80	79,019.69
Percentage of funding concentration to total deposits	NA	NA
Percentage of funding concentration to total liabilities	38.41%	35.18%

(II) Top 20 large deposits

(₹ in crore)

As at 31 March

Particulars	2025	2024
Total amount of top 20 deposits	11,194.76	8,993.65
Percentage of amount of top 20 deposits to total deposits	15.69%	15.00%

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)**(III) Top 10 borrowings**

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Total amount of top 10 borrowings	83,414.57	68,925.18
Percentage of amount of top 10 borrowings to total borrowings	30.31%	31.28%

(IV) Funding concentration based on significant instrument/product

(₹ in crore)

Particulars	As at 31 March 2025	Percentage of total liabilities	As at 31 March 2024	Percentage of total liabilities
Non-convertible debentures	89,654.74	32.03%	69,174.98	30.80%
Deposits	71,365.52	25.50%	59,966.66	26.70%
Loans from bank	57,299.70	20.47%	47,460.59	21.13%
Commercial paper	21,356.14	7.63%	18,421.11	8.20%
External commercial borrowings	15,373.63	5.49%	6,018.45	2.68%
Repurchase Agreement borrowings (Repo)	3,929.78	1.40%	-	-
TREPs	11,380.87	4.07%	15,758.96	7.02%
Securitisation liabilities	1,753.68	0.63%	-	-
Subordinated liabilities	3,103.54	1.11%	3,577.90	1.59%

(V) Stock ratios

As at 31 March

Particulars	2025	2024
(i) Commercial paper as a percentage of total public funds*	7.76%	8.36%
(ii) Commercial paper as a percentage of total liabilities#	7.63%	8.20%
(iii) Commercial paper as a percentage of total assets	5.81%	6.21%
(iv) Other short-term liabilities** as a percentage of total public funds	32.60%	34.13%
(v) Other short-term liabilities** as a percentage of total liabilities#	32.06%	33.49%
(vi) Other short-term liabilities** as a percentage of total assets	24.39%	25.36%
(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

Total liabilities comprises of total financial liabilities and total non-financial liabilities

**Other short-term liabilities comprises of all liabilities maturing within one year excluding commercial paper

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(VI) Institutional set-up for liquidity risk management

For qualitative disclosure on liquidity risk management, refer note no. 49.

Quarter on quarter Liquidity Coverage Ratio for the financial year ended 31 March 2025:

(₹ in crore)

High Quality Liquid Assets (HQLA)	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
	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)	14,738.12	13,692.81	13,838.75	12,663.08	10,541.27	9,490.20	13,222.46	12,046.14
Cash Outflows								
2 Deposits (for deposit taking companies)	2,712.48	3,119.36	2,566.05	2,950.96	3,061.68	3,520.93	3,271.19	3,761.87
3 Unsecured wholesale funding	5,135.99	5,906.39	5,469.35	6,289.75	1,921.67	2,209.92	2,032.22	2,337.05
4 Secured wholesale funding	3,402.63	3,913.02	2,122.85	2,441.28	2,930.16	3,369.68	4,024.64	4,628.34
5 Additional requirements, of which	2,511.07	2,887.74	2,312.83	2,659.76	2,324.11	2,672.73	2,805.18	3,225.95
(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	2,511.07	2,887.74	2,312.83	2,659.76	2,324.11	2,672.73	2,805.18	3,225.95
6 Other contractual funding obligations	2,416.37	2,778.83	2,944.66	3,386.36	2,420.25	2,783.28	2,408.06	2,769.27
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash outflows	16,178.54	18,605.34	15,415.74	17,728.11	12,657.87	14,556.54	14,541.30	16,722.49
Cash Inflows								
9 Secured lending	21.42	16.06	78.04	58.53	26.11	19.58	81.29	60.97
10 Inflows from fully performing exposures	14,090.11	10,567.58	14,080.32	10,560.24	15,300.32	11,475.24	16,409.23	12,306.92
11 Other cash inflows	13,391.08	10,043.31	21,185.56	15,889.17	17,040.45	12,780.34	16,531.28	12,398.46
12 Total cash inflows	27,502.61	20,626.95	35,343.92	26,507.94	32,366.88	24,275.16	33,021.80	24,766.35
	Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
13 Total HQLA		13,692.81		12,663.09		9,490.20		12,046.14
14 Total net cash outflow		4,651.33		4,432.03		3,639.14		4,180.62
15 Liquidity coverage ratio (%)		294.38%		285.72%		260.78%		288.14%
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)
	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	9,511.59	9,511.59	7,960.41	7,960.41	5,285.90	5,285.90	7,340.89	7,340.89
(a) T-Bills	8,628.89	8,628.89	7,018.83	7,018.83	4,423.49	4,423.49	6,501.68	6,501.68
(b) Bank balance	882.70	882.70	941.58	941.58	862.41	862.41	839.21	839.21
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	5,226.53	4,181.22	5,878.34	4,702.67	5,255.37	4,204.30	5,881.57	4,705.25
Total HQLA	14,738.12	13,692.81	13,838.75	12,663.08	10,541.27	9,490.20	13,222.46	12,046.14

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)**Quarter on quarter Liquidity Coverage Ratio for the financial year ended 31 March 2024:**

(₹ in crore)

High Quality Liquid Assets (HQLA)	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
1 Total High Quality Liquid Assets (HQLA)	12,619.29	11,558.60	12,731.42	11,561.48	11,745.65	10,569.10	13,135.36	11,975.77
Cash Outflows								
2 Deposits (for deposit taking companies)	1,568.84	1,804.16	2,022.50	2,325.87	2,288.92	2,632.26	2,561.65	2,945.89
3 Unsecured wholesale funding	3,277.48	3,769.10	4,013.73	4,615.79	4,996.40	5,745.85	4,161.07	4,785.23
4 Secured wholesale funding	1,865.93	2,145.82	2,490.53	2,864.11	2,308.34	2,654.59	4,255.64	4,893.98
5 Additional requirements, of which	1,991.59	2,290.33	1,907.65	2,193.80	2,041.93	2,348.22	2,623.94	3,017.53
(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	1,991.59	2,290.33	1,907.65	2,193.80	2,041.93	2,348.22	2,623.94	3,017.53
6 Other contractual funding obligations	2,072.69	2,383.59	2,703.26	3,108.75	2,463.93	2,833.52	2,418.02	2,780.72
7 Other contingent funding obligations	-	-	-	-	-	-	-	-
8 Total Cash outflows	10,776.53	12,393.00	13,137.67	15,108.32	14,099.52	16,214.44	16,020.32	18,423.35
Cash Inflows								
9 Secured lending	159.75	119.81	250.45	187.84	112.72	84.54	90.73	68.05
10 Inflows from fully performing exposures	10,837.26	8,127.95	11,782.40	8,836.80	12,373.71	9,280.28	13,232.62	9,924.47
11 Other cash inflows	9,762.88	7,322.16	11,842.06	8,881.55	14,401.94	10,801.45	12,967.09	9,725.32
12 Total cash inflows	20,759.89	15,569.92	23,874.91	17,906.19	26,888.37	20,166.27	26,290.44	19,717.84
	Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
13 Total HQLA		11,558.60		11,561.48		10,569.10		11,975.77
14 Total net cash outflow		3,098.25		3,777.08		4,053.61		4,605.84
15 Liquidity coverage ratio (%)		373.07%		306.10%		260.73%		260.01%
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	7,315.81	7,315.81	6,881.73	6,881.73	5,862.90	5,862.90	7,337.43	7,337.43
(a) T-Bills	6,809.67	6,809.67	6,308.18	6,308.18	5,295.36	5,295.36	6,608.23	6,608.23
(b) Bank balance	506.14	506.14	573.55	573.55	567.54	567.54	729.20	729.20
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	5,303.48	4,242.79	5,849.69	4,679.75	5,882.75	4,706.20	5,797.93	4,638.34
Total HQLA	12,619.29	11,558.60	12,731.42	11,561.48	11,745.65	10,569.10	13,135.36	11,975.77

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (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 carries 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%.

The Company for purpose of computing outflows, has 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 comprise of: (1) expected receipts from all performing loans, and (2) liquid investments 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 100% as on 31 March 2025.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

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

Particulars	(₹ in crore)	
	Aggregate amount of such sanctioned loans and advances	
	For the year ended 31 March	
	2025	2024
Directors and their relatives	-	-
Entities associated with directors and their relatives		
Bajaj Financial Securities Limited	-	Flexi term loan facility up to ₹ 1,000 crore
Bajel Projects Limited	Flexi loan facility up to ₹ 110 crore	-
Other entities associated with directors and their relatives	11.94	-
Senior Officers and their relatives	0.15	1.17

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(T) Disclosure of transactions with related parties as required by RBI circular dated 19 Apr 2022

(₹ in crore)

S. No.	Item/Related Party	1. Parent (as per ownership or control)		2. Subsidiaries		3. Associate		4. Director	
		31 March		31 March		31 March		31 March	
		2025	2024	2025	2024	2025	2024	2025	2024
(A)	Details of Related party transactions during the year ended								
1	Borrowings	-	-	-	-	-	-	-	-
2	Deposits	-	550.00	-	-	40.00	-	0.00	0.00
3	Placement of deposits	-	-	-	10.50	-	-	-	-
4	Advances	-	-	19,170.00	14,310.00	0.32	-	-	-
5	Investmets	-	-	2,200.00	200.00	-	153.72	-	-
6	Purchase of fixed/other assets	-	-	0.93	0.53	-	24.83	-	-
7	Sale of fixed/other assets	-	0.07	0.49	0.91	-	-	0.02	-
8	Interest paid	93.74	83.81	-	-	1.80	-	0.00	0.00
9	Interest received	-	-	5.48	17.33	0.00	-	-	-
10	Others - Loan portfolio Assigned in	-	-	3,361.67	6,758.15	-	-	-	-
11	Others - Dividend Paid	1,144.14	953.45	-	-	-	-	1.69	1.67
12	Others - Proceeds for conversion of 1,550,000 warrants	891.64	-	-	-	-	-	-	-
13	Others - Preferential warrants application money received	-	297.21	-	-	-	-	-	-
14	Others	21.05	21.54	112.09	100.33	51.25	0.40	39.32	74.71
		2,150.56	1,906.09	24,850.66	21,397.74	93.38	178.95	41.03	76.39
(B)	Outstanding Balances for the year ended								
1	Borrowings	(800.00)	(695.00)	-	-	-	-	-	-
2	Deposits	(550.00)	(550.00)	-	-	(40.00)	-	(0.01)	(0.01)
3	Placement of deposits	-	-	0.08	0.08	-	-	-	-
4	Advances	-	-	525.00	155.00	0.32	-	-	-
5	Investmets	-	-	10,191.81	8,398.38	360.20	360.20	-	-
6	Purchase of fixed/other assets	-	-	-	-	-	(13.16)	-	-
7	Sale of fixed/other assets	-	-	0.03	-	-	-	-	-
8	Interest paid	(69.78)	(28.54)	-	-	(1.62)	-	(0.00)	(0.00)
9	Interest received	-	-	-	-	-	-	-	-
10	Others - Loan portfolio Assigned in	-	-	-	-	-	-	-	-
11	Others - Dividend Paid	-	-	-	-	-	-	-	-
12	Others - Proceeds for conversion of 1,550,000 warrants	-	-	-	-	-	-	-	-
13	Others - Preferential warrants application money received	-	(297.21)	-	-	-	-	-	-
14	Others	(63.87)	(63.56)	(1.26)	0.08	(11.84)	(0.43)	(18.61)	(15.41)
		(1,483.66)	(1,634.32)	10,715.66	8,553.54	307.07	346.61	(18.62)	(15.42)
(C)	Maximum Outstanding balances for the year ended								
1	Borrowings	(800.00)	(770.00)	-	-	-	-	-	-
2	Deposits	(550.00)	(550.00)	-	-	(40.00)	-	(0.01)	(0.01)
3	Placement of deposits	-	-	0.08	5.58	-	-	-	-
4	Advances	-	-	730.00	875.00	0.32	-	-	0.00
5	Investmets	-	-	10,598.38	8,398.38	360.20	360.20	-	-
		(1,350.00)	(1,320.00)	11,328.46	9,278.96	320.53	360.20	(0.01)	(0.01)

'0.00' represents the amount below the rounding off norm adopted by the Company

With respect to above disclosure, related parties includes all related parties as defined in Indian Accounting Standard 24, as defined in section 2(76) of Companies Act, 2013 and Key Management Personal as defined in section 2(51) of Companies Act, 2013

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(₹ in crore)

5. Relative of Director		6. Other KMP		7. Relatives of Other KMP		8. Other		Total	
31 March		31 March		31 March		31 March		31 March	
2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
-	-	-	-	-	-	70.00	70.00	70.00	70.00
-	1.29	-	-	-	0.05	1,364.54	618.66	1,404.54	1,170.00
-	-	-	-	-	-	-	0.70	-	11.20
-	-	-	-	-	-	214.62	-	19,384.94	14,310.00
-	-	-	-	-	-	280.47	-	2,480.47	353.72
-	-	0.50	-	0.31	-	14.42	71.06	16.16	96.42
-	-	-	-	-	-	3.89	7.20	4.39	8.17
0.14	0.43	-	-	0.01	0.01	351.96	321.92	447.64	406.16
-	-	-	-	-	-	9.08	2.03	14.57	19.36
-	-	-	-	-	-	-	-	3,361.67	6,758.15
0.70	0.59	0.95	0.75	0.10	0.08	72.33	60.13	1,219.91	1,016.67
-	-	-	-	-	-	-	-	891.64	-
-	-	-	-	-	-	-	-	-	297.21
0.05	0.13	119.25	116.85	-	-	1,419.96	901.93	1,762.97	1,215.89
0.89	2.44	120.70	117.60	0.41	0.14	3,801.27	2,053.62	31,058.91	25,732.96
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3,113.50)	(2,804.50)	(3,913.50)	(3,499.50)
(1.66)	(7.05)	-	-	(0.10)	(0.10)	(1,132.30)	(583.03)	(1,724.07)	(1,140.18)
-	-	-	-	-	-	2.73	2.73	2.82	2.82
-	-	-	-	-	-	31.95	0.01	557.28	155.01
-	-	-	-	-	-	283.16	283.16	10,835.18	9,041.75
-	-	-	-	-	-	(6.66)	(0.48)	(6.66)	(13.64)
-	-	-	-	-	-	(0.05)	0.19	(0.02)	0.19
(0.31)	(0.38)	-	-	(0.02)	(0.01)	(44.75)	(19.61)	(116.48)	(48.54)
-	-	-	-	-	-	1.28	0.06	1.28	0.06
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(297.21)
(0.04)	(0.04)	(10.70)	(5.40)	(0.00)	(0.01)	35.85	45.41	(70.47)	(39.36)
(2.01)	(7.46)	(10.70)	(5.40)	(0.12)	(0.11)	(3,942.28)	(3,076.06)	5,565.35	4,161.39
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	(3,124.50)	(3,409.50)	(3,924.50)	(4,179.50)
(1.66)	(7.10)	-	-	(0.10)	(0.10)	(1,934.56)	(726.07)	(2,526.33)	(1,283.28)
-	-	-	-	-	-	2.73	2.86	2.82	8.45
-	-	-	-	-	-	118.97	0.03	849.30	875.03
-	-	-	-	-	-	283.16	283.16	11,241.75	9,041.75
(1.66)	(7.10)	-	-	(0.10)	(0.10)	(4,654.19)	(3,849.51)	5,643.03	4,462.45

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(U) Overseas Assets

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

(V) Off-Balance Sheet SPVs sponsored

The Company does not have any off-Balance Sheet SPVs sponsored.

(W) Participation in currency futures and currency options

The Company has not undertaken any transaction during the current year and previous year for currency futures and 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 prepares consolidated financial statement considering all its underlying subsidiaries and associates.

(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 2024 and for the year ended 31 March 2023 as per the requirement of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time.

(AB) The disclosures as required by the Master Direction – Reserve Bank of India (Securitisation of Standard Assets) Directions, 2021

(₹ in crore, unless otherwise stated)

Sr. No.	Particulars	As at 31 March	
		2025	2024
1.	No of SPEs holding assets for securitisation transactions originated by the originator	1	-
2.	Total amount of securitised assets as per books of the SPEs	1,987.39	-
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of Balance Sheet		
a)	Off-Balance Sheet exposures		
	• First loss	-	-
	• Others	-	-
b)	On-Balance Sheet exposures		
	• First loss	258.37	-
	• Others	-	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

54 The disclosures as required by Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

(₹ in crore, unless otherwise stated)

Sr. No.	Particulars	As at 31 March	
		2025	2024
4.	Amount of exposures to securitisation transactions other than MRR		
a)	Off-Balance Sheet exposures		
i)	Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
ii)	Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
b)	On-Balance Sheet exposures		
i)	Exposure to own securitisations		
	• First loss	-	-
	• Others	-	-
ii)	Exposure to third party securitisations		
	• First loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets	1,987.39	-
	Gain/loss on sale on account of securitisation	-	-
6.	Form and quantum (outstanding value) of services provided by way of:		
	• Post-securitisation asset servicing	-	-
7.	Performance of facility provided.		
	Credit Enhancement (Equity Tranche +FLCC):		
a)	Amount paid	-	-
b)	Repayment received	-	-
c)	Outstanding amount	258.37	-
8.	Average default rate of portfolios observed in the past*.		
a)	New Car Finance (NCF)	0.01%	
9.	Amount and number of additional/top up loan given on same underlying asset.		-
a)	No of additional loans	197	
b)	Sanctioned amount	8.17	
10.	Investor complaints		
a)	Directly/Indirectly received; and	-	-
b)	Complaints outstanding	-	-

*Represents % of amount outstanding of NPA accounts to total outstanding of the portfolio transferred as on 31 March 2025.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

55 Disclosure of restructured accounts

Particulars	As at 31 March 2025		As at 31 March 2024	
	Amount outstanding	Impairment loss allowance	Amount outstanding	Impairment loss allowance
Standard	212.46	9.29	87.84	3.26
Substandard	339.02	119.94	274.46	93.16
Doubtful	321.57	125.61	320.34	138.35
	873.05	254.84	682.64	234.77

(₹ in crore)

56 The disclosures for comparison between provisions required under IRACP and impairment loss allowances made under Ind AS 109

As at 31 March 2025

(₹ in crore)						
Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS 109 (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	302,000.51	2,767.69	299,232.82	1,259.92	1,507.77
	Stage 2	5,083.26	1,677.33	3,405.93	23.70	1,653.63
Subtotal (a)		307,083.77	4,445.02	302,638.75	1,283.62	3,161.40
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	3,204.84	1,749.23	1,455.61	322.31	1,426.92
(ii) Doubtful up to:						
1 year	Stage 3	234.79	107.59	127.20	162.40	(54.81)
1 to 3 years	Stage 3	207.00	87.71	119.29	158.46	(70.75)
More than 3 years	Stage 3	31.12	12.81	18.31	15.89	(3.08)
		472.91	208.11	264.80	336.75	(128.64)
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		3,677.75	1,957.34	1,720.41	659.06	1,298.28
(c) Other Items						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		-	-	-	-	-
	Stage 1	302,000.51	2,767.69	299,232.82	1,259.92	1,507.77
	Stage 2	5,083.26	1,677.33	3,405.93	23.70	1,653.63
	Stage 3	3,677.75	1,957.34	1,720.41	659.06	1,298.28
Total (a+b+c)		310,761.52	6,402.36	304,359.16	1,942.68	4,459.68

(₹ in crore)

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

56 The disclosures for comparison between provisions required under IRACP and impairment loss allowances made under Ind AS 109 (Contd.)**As at 31 March 2024**

(₹ in crore)

Asset Classification as per RBI Norms (1)	Asset Classification as per Ind AS 109 (2)	Gross Carrying Amount as per Ind AS 109 (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	241,531.22	1,927.56	239,603.66	1,017.12	910.44
	Stage 2	3,720.93	1,122.25	2,598.68	24.29	1,097.96
Subtotal (a)		245,252.15	3,049.81	242,202.34	1,041.41	2,008.40
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	2,057.15	1,205.28	851.87	206.73	998.55
(ii) Doubtful up to:						
1 year	Stage 3	272.21	136.60	135.61	196.02	(59.42)
1 to 3 years	Stage 3	271.02	126.41	144.61	146.46	(20.05)
More than 3 years	Stage 3	-	-	-	-	-
		543.23	263.01	280.22	342.48	(79.47)
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		2,600.38	1,468.29	1,132.09	549.21	919.08
(c) Other Items						
	Stage 1	-	-	-	-	-
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		-	-	-	-	-
	Stage 1	241,531.22	1,927.56	239,603.66	1,017.12	910.44
	Stage 2	3,720.93	1,122.25	2,598.68	24.29	1,097.96
	Stage 3	2,600.38	1,468.29	1,132.09	549.21	919.08
Total (a+b+c)		247,852.53	4,518.10	243,334.43	1,590.62	2,927.48

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

57 (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 2025

(₹ 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 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 2025	Of (A) amount written off during the half year ended 31 March 2025 [#]	Of (A) amount paid by the borrowers during the half year ended 31 March 2025 [^]	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 2025
Personal Loans*	101.00	7.67	0.78	12.70	80.63
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	101.00	7.67	0.78	12.70	80.63

*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 2025 (Contd.)

57 (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 (Contd.)

For half year ended 30 September 2024

(₹ 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 2024 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 30 September 2024	Of (A) amount written off during the half year ended 30 September 2024 [#]	Of (A) amount paid by the borrowers during the half year ended 30 September 2024 [^]	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 2024
Personal Loans*	132.60	14.27	2.02	17.33	101.00
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	132.60	14.27	2.02	17.33	101.00

*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

For half year ended 31 March 2024

(₹ 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 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 31 March 2024	Of (A) amount written off during the half year ended 31 March 2024 [#]	Of (A) amount paid by the borrowers during the half year ended 31 March 2024 [^]	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 2024
Personal Loans*	172.68	13.09	2.81	26.99	132.60
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	172.68	13.09	2.81	26.99	132.60

*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 2025 (Contd.)

57 (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 (Contd.)

For half year ended 30 September 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. 31 March 2023 (A)	Of (A), aggregate debt that slipped into NPA during the half year ended 30 September 2023	Of (A) amount written off during the half year ended 30 September 2023 #	Of (A) amount paid by the borrowers during the half year ended 30 September 2023^	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 2023
Personal Loans*	223.07	18.54	4.80	31.85	172.68
Corporate persons	-	-	-	-	-
of which, MSMEs	-	-	-	-	-
Others	-	-	-	-	-
	223.07	18.54	4.80	31.85	172.68

*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

57 (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 2025 are given below:

Type of borrower	No. of accounts restructured and outstanding as on 31 March 2025	Amount outstanding as on 31 March 2025 (₹ in crore)	No. of accounts restructured and outstanding as on 31 March 2024	Amount outstanding as on 31 March 2024 (₹ in crore)
MSMEs	1,966	76.05	4,484	133.77

57 (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 2025 are given below:

Type of borrower	No. of accounts restructured and outstanding as on 31 March 2025	Amount outstanding as on 31 March 2025 (₹ in crore)	No. of accounts restructured and outstanding as on 31 March 2024	Amount outstanding as on 31 March 2024 (₹ in crore)
MSMEs	16	11.00	19	12.96

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

58 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:

Particulars	For the year ended 31 March		
	2025	2025	2024
Amount of loans transferred through assignment	₹ 2,817.22 crore	₹ 1,265.28 crore	-
Retention of beneficial economic interest	10%	10%	-
Weighted average residual maturity	35 months	102 months	-
Weighted average holding period	14 months	18 months	-
Coverage of tangible security coverage	0%	100%	-
Rating-wise distribution of rated loans	Unrated	Unrated	-

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

Particulars	For the year ended 31 March			
	2025	2025	2025	2024
Amount of loans acquired through assignment	₹ 1,199.41 crore	₹ 1,567.62 crore	₹ 3,361.67 crore	₹ 6,758.15 crore
Retention of beneficial economic interest	10%	10%	1%	1%
Weighted average residual maturity	84 months	33 months	152 months	170 months
Weighted average holding period	14 months	7 months	18 months	14 months
Coverage of tangible security coverage	100%	0%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

(c) Stressed loans transferred during the financial year ended 31 March 2025

Particulars	To permitted transferees	
	NPA	SMA
Number of accounts	861	25
Aggregate principal outstanding of loans transferred (₹ in crore)	6.45	0.24
Weighted average residual tenor of the loans transferred (in months)	30	32
Net book value of loans transferred (at the time of transfer) (₹ in crore)	2.05	0.23
Aggregate consideration (₹ in crore)	0.13	0.01
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Excess provision reversed to the Profit and Loss Account on account of sale	-	-

In addition to above, the Company has transferred written off loans amounting to ₹ 7,142.78 crore for a sale consideration of ₹ 162.90 crore.

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

58 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.)**Stressed loans transferred during the financial year ended 31 March 2024**

Particulars	To permitted transferees	
	NPA	SMA
Number of accounts	336	30
Aggregate principal outstanding of loans transferred (₹ in crore)	28.48	2.44
Weighted average residual tenor of the loans transferred (in years)	5.57	5.32
Net book value of loans transferred (at the time of transfer) (₹ in crore)	20.48	1.91
Aggregate consideration (₹ in crore)	11.71	0.99
Additional consideration realized in respect of accounts transferred in earlier years	-	-
Excess provision reversed to the Profit and Loss Account on account of sale	-	-

In addition to above, the Company has transferred written off loans amounting to ₹ 2.66 crore for a sale consideration of ₹ 0.59 crore.

(d) The Company has not acquired any stressed loan during the financial year ended 31 March 2025 and 31 March 2024.

59 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

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Vasant
Partner
Membership number: 101119

Suhas Deshpande
Partner
Membership number: 031787

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

Pune: 29 April 2025

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

Schedule to Balance Sheet

As required by updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ('the NBFC Master Directions')

(₹ in crore)

Particulars	Amount outstanding as on 31 March 2025	Amount overdue
Liabilities side		
(1) Loans and advances availed by the Company inclusive of interest accrued thereon but not paid		
(a) Debentures		
Secured	82,282.99	-
Unsecured	10,475.29	-
(Other than falling within the meaning of public deposit*)		
(b) Deferred credits	-	-
(c) Term loans	67,325.61	-
(d) Inter-corporate loans and borrowings	29,573.30	-
(e) Commercial paper	21,356.14	-
(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.)	41,792.22	-
(g) Other loans	22,412.05	-
(TREPs, cash credit, working capital demand loan, Repurchase Agreement borrowings (Repo) and Securitisation liabilities)		
(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	41,792.22	-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

Schedule to Balance Sheet (Contd.)

		(₹ in crore)
Particulars		Amount outstanding as on 31 March 2025
Asset side		
(3) Break-up of loans and advances including bills receivables (other than those included in (4) below)		
(a) Secured		145,238.40
(b) Unsecured		163,140.83
(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		54.18
(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		-
(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 22 February 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		5,263.12
(iv) Government securities		16,373.35
(v) Others - Certificate of Deposits, Commercial paper and Invit		3,690.81
b. Unquoted		
(i) Shares - (a) Equity		-
(b) Preference		-
(ii) Debentures and bonds		212.83
(iii) Units of mutual funds		-
(iv) Government securities		-
(v) Others (Pass through certificates)		88.08
Long-term investments		
a. Quoted		
(i) Shares - (a) Equity		316.99
(b) Preference		-
(ii) Debentures and bonds		-
(iii) Units of mutual funds		-
(iv) Government securities		4,688.64
(v) Others		-

Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

Schedule to Balance Sheet (Contd.)

			(₹ in crore)
			Amount outstanding as on 31 March 2025
Particulars			
b.	Unquoted		
(i)	Shares - (a) Equity		10,976.64
	(b) Preference		-
(ii)	Debentures and bonds		-
(iii)	Units of mutual funds		-
(iv)	Government securities		-
(v)	Others (Pass through certificates)		105.77

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

		(₹ in crore)		
		Amount net of provisions as on 31 March 2025		
Category		Secured	Unsecured	Total
Related parties				
Subsidiaries		-	525.65	525.65
Companies in the same group		0.26	81.60	81.86
Other related parties		8.97	25.03	34.00
Other than related parties		145,283.35	162,508.55	307,791.90
		145,292.58	163,140.83	308,433.41

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

		(₹ in crore)	
		As on 31 March 2025	
Category		Market value	Book value
Related parties			
Subsidiaries		10,191.81	10,191.81
Companies in the same group		749.83	749.83
Other related parties		0.21	0.21
Other than related parties		30,774.38	30,774.59
		41,716.23	41,716.44

(8) Other information

		(₹ in crore)
		As on 31 March 2025
Particulars		
(i)	Gross non-performing assets	
	Related parties	-
	Other than related parties	3,677.75
(ii)	Net non-performing assets*	
	Related parties	-
	Other than related parties	1,720.41
(iii)	Assets acquired in satisfaction of debt	-

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

CONSOLIDATED FINANCIAL STATEMENTS

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of **Bajaj Finance Limited**

Opinion

1. We have jointly audited the accompanying consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as the 'Group') and its associates (refer Note 2.5 to the attached consolidated financial statements), which comprise the Consolidated Balance Sheet as at 31 March 2025, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as the 'consolidated financial statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2025, and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

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

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated 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 on the standalone financial statements of the Holding Company.

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer note no. 9 of the standalone financial statements)

Key audit matter

As at 31 March 2025, the outstanding balances of loans granted by the Company aggregated to ₹ 310,761.52 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 6,402.36 crore. The impairment loss allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the Management in estimating the expected losses using components of ECL such as Probability of Default ('PD'), and Loss Given Default ('LGD') and Exposure at Default (expected balance at default together with expected drawdown from committed lines) ('EAD'), Staging of Loans, etc.

How our audit addressed the key audit matter

The procedures performed by us included the following:

- Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the:
 - i. Assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, Staging of Loans, etc.;
 - ii. Completeness and accuracy of source data used by the Management in the ECL computation;
 - iii. Approval of changes to ECL methodology and models through the Company's governance framework; and
 - iv. Computation of ECL.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (Refer note no. 9 of the standalone financial statements)

Key audit matter

Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions, judgement in relation to Management overlays and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation.

In view of the significant Management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.

How our audit addressed the key audit matter

- Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments';
- With the assistance of auditor's experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company;
- Tested, on a sample basis, the completeness and accuracy of the source data used;
- Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company;
- Evaluated the reasonableness of the assumptions and judgements involved in management overlays forming part of the impairment loss allowance, and the related approvals;
- Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter

The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions.

As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.

Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year.

Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.

How our audit addressed the key audit matter

The procedures performed by us included the following:

- Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting.
- Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company.
- On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains:
 - Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured;

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.	- User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorised personnel; - Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS; - IT operations, which includes job scheduling, monitoring, data backup and recovery; - Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS • Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/ accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. • Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/ or performed alternative audit procedures, where necessary.

5. The following Key Audit Matters were reported to us by joint auditors, Singhi & Co. and Mukund M. Chitale & Co., of Bajaj Housing Finance Limited, a subsidiary of the Holding Company, vide their communication dated 23 April 2025 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
<i>Allowances for expected credit loss (ECL):</i> Allowances for expected credit losses ('ECL'): As at 31 March 2025, the carrying value of loan assets carried at amortised cost, aggregated ₹ 99,512.86 crore (net of allowance for expected credit loss ₹ 577.86 crore) constituting approximately 97% 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: • 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	<i>Our audit approach:</i> 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: 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;

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Key audit matter

- Adjustments to model driven ECL results to address emerging trends. (Refer note no. 4.3, 9 and 50(c) to the financial statements).

How our audit addressed the key audit matter

- 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 and
- 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.

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.
- 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.

Information Technology (IT) Systems and Controls impacting financial controls

The Company key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated.

Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting.

Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.

We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process.

Our Audit Approach:

Key IT audit procedures performed included the following, but not limited to:

- For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit.
- Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.
- Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), computer operations (which includes testing of key controls pertaining to backup, incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorised.
- In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested using various techniques such as inquiry, review of documentation/record/reports, observation, and re-performance.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

6. The following Key Audit Matter were reported to us by the auditor, G.M. Kapadia & Co., of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, vide their communication dated 22 April 2025 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
<i>IT systems and Controls:</i> Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	We performed the following procedures on the IT infrastructure and applications relevant to financial reporting: We involved our IT specialists for assessment of the IT systems and controls over financial reporting; Understood General IT Controls over key financial accounting and reporting systems (referred to as 'in-scope systems') which covered access controls, program/ system changes, program development and computer operations; Tested the design and operating effectiveness of the Company's IT access control over the information system that are important to financial reporting. Carried the test of controls with respect to the IT general controls. This included testing that requests for access to systems were appropriately reviewed and authorised. Tested the Company's periodic review of access rights. Carried test of controls with respect to changes to systems for appropriate approval and authorisation.

Other information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Responsibilities of Management and those charged with governance for the consolidated financial statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group and its associates or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's responsibilities for the audit of the consolidated financial statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

- 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 ability of the Group and its associates 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 consolidated 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 Group and its associates to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company, 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.
 14. 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.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated 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.

Other matter

16. The consolidated financial statements of the Company for the year ended 31 March 2024 were audited by previous joint auditors under the Act who, vide their joint audit report dated 25 April 2024, expressed an unmodified opinion on those consolidated financial statements.

Our opinion on the consolidated financial statement is not modified in respect of above matter.

17. The financial statements of two subsidiaries reflect total assets of ₹ 109,352.96 crore and net assets of ₹ 21,235.73 crore as at 31 March 2025, total revenue of ₹ 10,376.23 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2,313.20 crore and net cash flows amounting to ₹ 98.69 crore for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 17.39 crore for the year ended 31 March 2025 as considered in the consolidated financial statements, in respect of two associates companies whose financial statements have not been audited by us. The financial statements of these subsidiaries/ associates have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

in terms of sub-section (3) of section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and associates, is based on the reports of the other auditors and the procedures performed by us.

Our opinion on the consolidated financial statements, and our report on 'other legal and regulatory requirements' below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on other legal and regulatory requirements

18. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ('CARO 2020'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included by the respective auditors in their CARO 2020 reports issued in respect of the standalone financial statements of the companies which are included in these consolidated financial statements.
19. As required by section 143(3) of the Act, we report, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.
 - (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2025 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associates incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
 - (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Group and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact, of pending litigations on the consolidated financial position of the Group and its associates– Refer Note 42 to the consolidated financial statements.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, on long-term contracts including derivative contracts as at 31 March 2025 – Refer Note 7 and Note 9 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

- iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries and associates incorporated in India during the year.
- iv. (a) The respective Managements of the Holding Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/associates respectively that, to the best of their knowledge and belief, other than as disclosed in Note 50 to the consolidated financial statements, 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 Holding Company or any of such subsidiaries/associates 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, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries/associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (b) The respective Managements of the Holding Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/associates respectively that, to the best of their knowledge and belief, other than as disclosed in the Note 50 to the financial statements, no funds have been received by the Company or any of such subsidiaries/associates from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company or any of such subsidiaries/associates shall, whether 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.
- (c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The dividend declared and paid by the Holding Company and one of its subsidiary during the year is in compliance with section 123 of the Act. One of the subsidiary and associates of Holding Company have not declared or paid any dividend during the year.
- vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, the Group and its associates have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail for the prior financial year has been preserved by the Group and its associates as per the statutory requirements for record retention.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

20. The Group and its associates have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFBH9321

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGD9037

Pune
29 April 2025

Pune
29 April 2025

Annexure 'A' to the Independent Auditor's Report

Referred to in paragraph 19(f) of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the consolidated financial statements as of and for the year ended 31 March 2025

Report on the internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our joint audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as 'Company' or the 'Holding Company') and its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associates, to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting (the 'Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the 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 Act.

Auditor's responsibility

3. Our responsibility is to express an opinion on the Holding Company's internal financial controls with reference to consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note issued by the ICAI and the Standards on Auditing specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 consolidated financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated 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 consolidated financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Meaning of internal financial controls with reference to consolidated financial statements

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

Annexure 'A' to the Independent Auditor's Report (Contd.)

- (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 consolidated 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 consolidated financial statements.

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

7. Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company, its subsidiaries and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2025, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other matter

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Vasant
Partner
Membership Number: 101119
UDIN: 25101119BMIFBH9321

Pune
29 April 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 25031787BMNUGD9037

Pune
29 April 2025

Consolidated Balance Sheet

(₹ in crore)

As at 31 March

Particulars	Note No.	2025	2024
ASSETS			
Financial Assets			
Cash and cash equivalents	5	3,642.46	4,034.51
Bank balances other than cash and cash equivalents	6	9,901.08	6,589.50
Derivative financial instruments	7	250.56	27.84
Trade receivables	8	1,913.11	1,733.49
Loans	9	407,844.14	326,293.32
Investments	10	34,440.84	30,880.65
Other financial assets	11	2,444.99	1,431.88
		460,437.18	370,991.19
Non-financial assets			
Current tax assets (net)		480.77	290.92
Deferred tax assets (net)	12	1,141.20	1,017.43
Property, plant and equipment	13	2,688.89	2,358.32
Capital work-in-progress	13	26.74	25.35
Intangible assets under development	13	14.55	18.11
Goodwill		3.27	3.27
Other intangible assets	13	1,088.01	888.31
Other non-financial assets	14	246.22	148.72
		5,689.65	4,750.43
Total assets		466,126.83	375,741.62
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	37.13	2.12
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		1.80	0.73
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,876.24	2,063.31
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.42	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		930.49	764.58
Debt securities	16	154,639.73	117,999.54
Borrowings (other than debt securities)	17	132,102.25	111,617.47
Deposits	18	71,403.13	60,150.92
Subordinated liabilities	19	3,103.54	3,577.90
Other financial liabilities	20	1,948.20	1,844.39
		366,042.93	298,020.96

Consolidated Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2025	2024
Non-financial liabilities			
Current tax liabilities (net)		100.63	108.64
Provisions	21	514.28	421.89
Other non-financial liabilities	22	532.10	494.78
		1,147.01	1,025.31
Equity			
Equity share capital	23	124.17	123.60
Other equity	24	96,568.70	76,571.75
Equity attributable to owners of the Company		96,692.87	76,695.35
Non-controlling interest	24	2,244.02	-
Total Equity		98,936.89	76,695.35
Total liabilities and equity		466,126.83	375,741.62
Summary of material accounting policies	3		

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

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Sharad Vasant
Partner
Membership number: 101119

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2025

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Consolidated Statement of Profit and Loss

(₹ in crore)

For the year ended 31 March

Particulars	Note No.	2025	2024
Revenue from operations			
Interest income	25	61,163.55	48,306.60
Fees and commission income	26	5,982.84	5,267.17
Net gain on fair value changes	27	539.03	308.29
Sale of services	28	27.13	49.97
Income on derecognised (assigned) loans	29	552.04	13.33
Other operating income	30	1,418.92	1,028.53
Total revenue from operations		69,683.51	54,973.89
Other income	31	41.27	8.62
Total income		69,724.78	54,982.51
Expenses			
Finance costs	32	24,770.79	18,724.69
Fees and commission expense	33	2,597.66	1,931.50
Impairment on financial instruments	34	7,966.03	4,630.70
Employee benefits expense	35	7,508.34	6,396.01
Depreciation and amortisation expenses	13	880.99	683.32
Other expenses	36	3,939.15	3,314.36
Total expenses		47,662.96	35,680.58
Share of profit/(loss) from associates		17.81	7.64
Profit before tax		22,079.63	19,309.57
Tax expense			
Current Tax			
Current year		5,664.86	4,958.00
Earlier years		(275.12)	(0.28)
Deferred tax (credit)/charge		(89.59)	(99.32)
Total tax expense	12	5,300.15	4,858.40
Profit after tax		16,779.48	14,451.17
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		(24.85)	(61.65)
Tax impact on above		6.25	15.52
Net remeasurement gains/(losses) on defined benefit plans - Share of associates		(0.32)	(0.10)
Net other adjustments - Share of associates		(0.10)	0.01
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(95.49)	151.62
Tax impact on above		25.22	(29.82)
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		140.79	39.45
Tax impact on above		(35.45)	(9.93)
Cash flow hedge reserve		(117.14)	(20.80)
Tax impact on above		29.48	5.24
Cost of hedging reserve		5.99	-
Tax impact on above		(1.44)	-
Total other comprehensive income for the year (net of tax)		(67.06)	89.54
Total comprehensive income for the year		16,712.42	14,540.71

Consolidated Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
Profit after tax for the period attributable to			
Owners of the Company		16,637.82	14,451.17
Non-controlling interest		141.66	-
Other comprehensive income for the period attributable to			
Owners of the Company		(67.80)	89.54
Non-controlling interest		0.74	-
Total comprehensive income for the period attributable to			
Owners of the Company		16,570.02	14,540.71
Non-controlling interest		142.40	-
Earnings per equity share:	37		
(Nominal value per share ₹ 2)			
Basic (₹)		268.94	236.89
Diluted (₹)		268.20	235.98
Summary of material accounting policies	3		

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

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Sharad Vasant
Partner
Membership number: 101119

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2025

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
Balance at the beginning of the year	123.60	120.89
Changes in equity share capital during the year [refer note no. 23(A)]	0.57	2.71
Balance at the end of the year	124.17	123.60

Other equity

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and surplus								Other comprehensive income on				Money received against share warrants	Total other equity	Non-controlling interest	Total
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve				
Balance as at 31 March 2024	24	26,582.00	37,080.41	438.36	10,232.75	790.02	534.65	711.50	(147.06)	10.60	50.18	(8.87)	-	297.21	76,571.75	-	76,571.75
Profit after tax		-	16,637.82	-	-	-	-	-	-	-	-	-	-	-	16,637.82	141.66	16,779.48
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(18.78)	104.46	(70.37)	(87.66)	4.55	-	(67.80)	0.74	(67.06)
		26,582.00	53,718.23	438.36	10,232.75	790.02	534.65	711.50	(165.84)	115.06	(20.19)	(96.53)	4.55	297.21	93,141.77	142.40	93,284.17
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	891.33	891.33	-	891.33
Issue of equity share capital		1,188.54	-	-	-	-	-	-	-	-	-	-	-	(1,188.54)	-	-	-
Allotment of shares to ESOP Trust		357.44	-	-	-	-	-	-	-	-	-	-	-	-	357.44	-	357.44
Share issue expenses		(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	(0.12)	-	(0.12)
Adjustment for change of ownership interest in subsidiary without loss of control		-	4,011.19	-	-	-	-	-	-	-	-	-	-	-	4,011.19	2,099.10	6,110.29
Adjustment for movement in reserves for non-controlling interest		-	47.28	(14.91)	-	-	(33.75)	(114)	-	-	-	-	-	-	(2.52)	2.52	-
Transfer to reserve fund in terms of:																	
Section 45-IC(1) of the RBI Act, 1934		-	(3,335.00)	-	3,335.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(132.58)	132.58	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(300.00)	-	-	-	300.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(2,226.46)	-	-	-	-	-	-	-	-	-	-	-	(2,226.46)	-	(2,226.46)
Share based payment to employees		-	-	-	-	-	-	393.97	-	-	-	-	-	-	393.97	-	393.97
Transfer on exercise of stock options by employees		151.37	-	-	-	-	-	(151.37)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	2.27	-	(2.27)	-	-	-	-	-	-	-	-	-
		28,279.23	51,782.66	556.03	13,567.75	792.29	800.90	950.69	(165.84)	115.06	(20.19)	(96.53)	4.55	-	96,566.60	2,244.02	98,810.62
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	-	307.06	-	307.06
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Balance as at 31 March 2025	24	28,281.33	51,782.66	556.03	13,567.75	792.29	800.90	950.69	(165.84)	115.06	(20.19)	(96.53)	4.55	-	96,568.70	2,244.02	98,812.72

Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note No.	Reserves and surplus							Other comprehensive income on				Money received against share warrants	Total other equity	Non-controlling interest	Total	
		Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve					Cost of hedging reserve
Balance as at 31 March 2023	24	17,440.98	27,320.89	327.11	7,702.75	788.93	299.65	555.46	(100.83)	(18.92)	(71.62)	6.69	-	-	54,251.09	-	54,251.09
Profit after tax		-	14,451.17	-	-	-	-	-	-	-	-	-	-	-	14,451.17	-	14,451.17
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(46.23)	29.52	121.80	(15.56)	-	-	89.53	-	89.53
		17,440.98	41,772.06	327.11	7,702.75	788.93	299.65	555.46	(147.06)	10.60	50.18	(8.87)	-	-	68,791.79	-	68,791.79
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	297.21	297.21	-	297.21
Issue of equity share capital		8,797.58	-	-	-	-	-	-	-	-	-	-	-	-	8,797.58	-	8,797.58
Allotment of shares to ESOP Trust		448.00	-	-	-	-	-	-	-	-	-	-	-	-	448.00	-	448.00
Share issue expenses		(34.55)	-	-	-	-	-	-	-	-	-	-	-	-	(34.55)	-	(34.55)
Transfer to reserve fund in terms of:																	
Section 45-IC(1) of the RBI Act, 1934		-	(2,530.00)	-	2,530.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(111.25)	111.25	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(235.00)	-	-	-	235.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(1,815.40)	-	-	-	-	-	-	-	-	-	-	-	(1,815.40)	-	(1,815.40)
Share based payment to employees		-	-	-	-	-	-	268.24	-	-	-	-	-	-	268.24	-	268.24
Transfer on exercise of stock options by employees		111.11	-	-	-	-	-	(111.11)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	1.09	-	(1.09)	-	-	-	-	-	-	-	-	-
		26,763.12	37,080.41	438.36	10,232.75	790.02	534.65	711.50	(147.06)	10.60	50.18	(8.87)	-	297.21	76,752.87	-	76,752.87
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		125.94	-	-	-	-	-	-	-	-	-	-	-	-	125.94	-	125.94
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	-	307.06	-	307.06
Balance as at 31 March 2024	24	26,582.00	37,080.41	438.36	10,232.75	790.02	534.65	711.50	(147.06)	10.60	50.18	(8.87)	-	297.21	76,571.75	-	76,571.75

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

As per our report of even date

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

Pune: 29 April 2025

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Anup Saha
Managing Director
DIN - 07640220

Sandeep Jain
Chief Financial Officer

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Consolidated Statement of Cash Flows

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
(I) Operating activities		
Profit before tax	22,079.63	19,309.57
Adjustments for:		
Interest income	(61,163.55)	(48,306.60)
Depreciation and amortisation expenses	880.99	683.32
Impairment on financial instruments	7,966.03	4,630.70
Net loss on disposal of property, plant and equipment and other intangible assets	35.50	12.54
Finance costs	24,770.79	18,724.69
Share based payment expenses	393.98	268.23
Net gain on fair value changes	(539.03)	(308.29)
Service fees for management of assigned portfolio of loans	(27.13)	(49.97)
Income on derecognised (assigned) loans	(552.04)	(13.33)
Dividend income (Previous year ₹ 30,225)	(1.28)	
Share of (profit)/loss from associate	(17.81)	(7.64)
	(6,173.92)	(5,056.78)
Cash inflow from interest on loans	58,216.67	45,853.52
Cash inflow from interest on investments*	2,313.47	943.99
Cash inflow from servicing and interest spread on assigned loans	28.58	89.61
Cash outflow towards finance cost	(22,421.35)	(17,044.04)
Cash generated from operation before working capital changes	31,963.45	24,786.30
Working capital changes		
(Increase)/decrease in bank balances other than cash and cash equivalents	(3,095.95)	(3,589.13)
(Increase)/decrease in trade receivables	(206.31)	(457.54)
(Increase)/decrease in loans	(89,988.25)	(88,194.09)
(Increase)/decrease in investments classified as FVTPL*	(1,429.16)	1,972.84
(Increase)/decrease in other financial assets	531.57	(306.33)
(Increase)/decrease in other non-financial assets	(116.70)	(33.60)
(Increase)/decrease in derivative financial instruments (net)	56.54	(24.86)
Increase/(decrease) in trade payables	(186.00)	611.91
Increase/(decrease) in other payables	166.33	125.26
Increase/(decrease) in other financial liabilities	(7.48)	131.95
Increase/(decrease) in provisions	67.31	89.81
Increase/(decrease) in other non-financial liabilities	38.08	142.16
	(94,170.02)	(89,531.62)
Income tax paid (net of refunds)	(5,947.90)	(5,097.99)
Net cash used in operating activities (I)	(68,154.47)	(69,843.31)
(II) Investing activities		
Purchase of property, plant and equipment and capital work-in-progress	(584.06)	(603.62)
Purchase of other intangible assets and intangible assets under development	(497.76)	(434.16)
Sale of property, plant and equipment and other intangible assets	36.39	38.89
Purchase of investments measured at amortised cost	(16,270.26)	(6,429.43)
Proceeds from liquidation of investments measured at amortised cost	16,432.61	6,201.62
Purchase of investments classified as FVOCI	(31,594.18)	(23,310.68)
Proceeds from liquidation of investments classified as FVOCI	29,745.96	15,231.80
Purchase of equity investments designated under FVOCI	(35.00)	(514.96)
Dividend income (Previous year ₹ 30,225)	1.28	
Investment in associates	-	(267.47)
Net cash used in investing activities (II)	(2,765.02)	(10,088.01)

Consolidated Statement of Cash Flows (Contd.)

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
(III) Financing activities		
Issue of equity share capital (including securities premium)	1,251.44	9,067.17
Proceeds from dilution of stake in subsidiary (net of IPO expenses)	6,460.50	-
Issue of share warrants	-	297.21
Share issue expenses	(0.12)	(34.55)
Dividends paid	(2,225.24)	(1,814.58)
Payment of lease liability	(214.57)	(174.00)
Deposits received (net)	10,527.22	14,759.93
Short term borrowing availed (net)	8,787.63	22,023.50
Long term borrowing availed	84,967.14	72,666.31
Long term borrowing repaid	(39,026.56)	(34,375.91)
Net cash generated from financing activities (III)	70,527.44	82,415.08
Net increase/(decrease) in cash and cash equivalents (I+II+III)	(392.05)	2,483.76
Cash and cash equivalents at the beginning of the year	4,034.51	1,550.75
Cash and cash equivalents at the end of the year	3,642.46	4,034.51

*Certain categories of investments are considered by the Group as held for trading purposes. The Group has accordingly presented the related cash flows under operating activities including interest income from all investments. Pursuant to change and to make it comparable, the cash flow from operating activities increased by ₹ 2,916.83 crore, for the comparative year ended 31 March 2024 with corresponding decrease in investing activities.

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

- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short-term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan, repurchase agreement borrowings and triparty repo dealing and settlement. All other borrowings are considered as long-term borrowings.

Components of cash and cash equivalents

(₹ in crore)

As at 31 March

Particulars	2025	2024
Cash and cash equivalents comprises of		
Cash on hand	56.81	58.84
Balance with banks		
In current accounts	2,635.07	3,975.67
In fixed deposits (with original maturity of 3 months or less)	950.58	-
	3,642.46	4,034.51

As per our report of even date

On behalf of the Board of Directors

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Vasant
Partner
Membership number: 101119

Suhas Deshpande
Partner
Membership number: 031787

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

Pune: 29 April 2025

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Notes to consolidated financial statements for the year ended 31 March 2025

1 Corporate information

Bajaj Finance Limited ('the Parent Company') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Limited, is a company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Parent Company and its subsidiary Bajaj Housing Finance Limited (BHFL) are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. Further, various debt securities of the Company and its subsidiary, BHFL, are also listed on the Stock Exchanges. The Parent Company is mainly engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India and provider of broking and depository participant services to its capital market clients. The Parent Company also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Parent 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 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. The Parent Company and its subsidiary company Bajaj Housing Finance Limited has been classified as NBFC-UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

2 Basis of preparation

2.1 Statement of compliance

The consolidated 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 – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time and other applicable RBI circulars/notifications. The Group uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefit plans that are measured at fair value as required or allowed by relevant accounting standard.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group 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.

The consolidated financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 29 April 2025, the Board of Directors of the Company approved and recommended the consolidated financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

2.3 Presentation of financial statements

The Group presents its Balance Sheet in order of liquidity.

The Group prepares and present 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'.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

2 Basis of preparation (Contd.)

The Group 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 Group 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 Group 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.

2.4 Material accounting estimates, judgements and assumptions

The preparation of the Group's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. 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. Revisions to accounting estimates are recognised prospectively.

Material accounting estimates and judgements used in various line items in the financial statements are as below.:

- Business model assessment [Refer note no. 3.3(i)(a) and 9]
- Impairment of financial assets [Refer note no. 3.3(i), 9 and 48(c)]
- Provisions and contingent liabilities (Refer note no. 3.7 and 42)
- Fair value of financial instrument (Refer note no. 3.9 and 47)

2.5 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) Investment in associates has been accounted under the Equity Method as per Ind AS 28 'Investment in Associates and Joint Ventures'.

The Group accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

(iii) The consolidated financial statements include results of the subsidiaries of Bajaj Finance Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and post acquisition change in net asset of associates in accordance with Ind AS 28 'Investment in Associates and Joint Ventures'.

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Limited (BHFL)	India	88.75%**	Subsidiary
Bajaj Financial Securities Limited (Bfinsec)	India	100.00%	Subsidiary
Snapwork Technologies Private Limited [#]	India	41.50% [#]	Associate
Pennant Technologies Private Limited [*]	India	26.53% [*]	Associate

[#]On 25 November 2022, the Parent Company has acquired 41.50% stake on fully diluted basis in Snapwork Technologies Private Limited.

^{*}On 19 January 2024, the Parent Company has acquired 26.53% stake on fully diluted basis in Pennant Technologies Private Limited.

^{**}On 13 September 2024, the Parent Company has diluted 11.25% of its stake in Bajaj Housing Finance Limited (BHFL) thereby decreasing its ownership interest from 100% to 88.75%

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

2 Basis of preparation (Contd.)

(iv) Disclosure in terms of Schedule III of the Companies Act, 2013

Name of the entities in the Group	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount (₹ in crore)	As a % of consolidated profit or loss	Amount (₹ in crore)	As a % of consolidated other comprehensive income	Amount (₹ in crore)	As a % of consolidated total comprehensive income	Amount (₹ in crore)
Parent								
Bajaj Finance Limited	77.84%	77,014.60	86.37%	14,492.29	116.72%	(78.27)	86.25%	14,414.02
Subsidiaries								
Bajaj Housing Finance Limited	18.03%	17,838.00	11.83%	1,985.83	(15.43%)	10.35	11.94%	1,996.18
Bajaj Financial Securities Limited	1.83%	1,813.68	0.85%	141.89	(0.81%)	0.54	0.85%	142.43
Non-controlling interest in all subsidiaries	2.27%	2,244.02	0.84%	141.66	(1.10%)	0.74	0.85%	142.40
Associates								
Snapwork Technologies Private Limited	0.01%	13.22	0.03%	5.62	0.33%	(0.22)	0.03%	5.40
Pennant Technologies Private Limited	0.01%	13.38	0.07%	12.19	0.30%	(0.20)	0.07%	11.99
	100.00%	98,936.90	100.00%	16,779.48	100.00%	(67.06)	100.00%	16,712.42

3 Summary of material accounting policies

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

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is presented under interest income on investment.

Interest rebate for the timely payment of interest by borrowers is recognised once the full interest amount is received on time, adhering to the terms of the respective contract, and is netted against the corresponding interest income.

(ii) Revenue from operations other than interest income

The Group 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'.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)**(a) Fees and commission income**

The Group recognises:

- Service and administration charges at point in time on completion of contracted service;
- Bounce charges at point in time on realisation from customer at the time of default;
- Fees on value added services and products at point in time on delivery of services and products to the customer;
- Distribution income at point in time on completion of distribution of third-party products and services; and
- Income of loan foreclosure and prepayment when it is probable to happen and the amount can be reasonably estimated

(b) Income on derecognised (assigned) loans

In direct assignment transactions, the Group recognises the excess interest spread (EIS) as the difference between the interest on the assigned loan portfolio and the rate agreed with the assignee. The Group records the discounted value of expected cash flow of the future EIS, entered with the assignee, upfront in the Statement of Profit and Loss. Any subsequent changes in the fair value of future EIS are recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial Instruments'.

(c) Other operating income

The Group recognises recoveries against written off financial assets on realisation.

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.

Any other operating income is recognised on completion of service.

3.2 Expenditures**(i) Finance costs**

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

(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, guarantee fees under guarantee scheme and fees for management of portfolio etc., are recognised in the Statement of Profit and Loss on an accrual basis.

(iii) Employee benefit expenses- Share based payments

The Parent Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Parent Company determines the fair value of the employee stock options on the grant date using the Black-Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Group is recognised as employee benefits expenses in profit or loss.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

3.3 Financial instruments

Recognition of financial instruments

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

(i) Financial assets

Initial measurement

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

- Investment in associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to the Statement of Profit and Loss; 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 subsequent measurement, financial assets are classified into four categories as per the Group's Board approved policies:

- (a) Debt instruments at amortised cost
- (b) Debt instruments at FVOCI
- (c) Equity/Debt instruments at FVTPL
- (d) Equity instruments designated under FVOCI

The classification depends on the contractual terms of the cash flows of the financial assets (SPPI), the Group's business model for managing financial assets and, in case of equity instruments, the intention of the Group whether strategic or non-strategic. The said classification methodology is detailed below-

Solely payments of principal and interest (SPPI) assessment

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

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

Business model assessment

The Group has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Group determines its business model that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)a) Debt instruments at amortised cost

The Group 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.

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

- Considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment of non-NPA assets and sale of credit impaired assets which are infrequent and below the threshold provided by the Management.

b) Debt instruments at FVOCI

The Group 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.

The Group measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI). The Group recognises interest income on these assets in the Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Group reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

c) Equity/Debt instruments at FVTPL

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

Interest and dividend incomes are recorded in the Statement of Profit and Loss. Gains and losses on changes in fair value of equity and debt instruments are recognised on net basis through profit or loss.

d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

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

All fair value changes of the aforesaid equity instruments are recognised in OCI and are not reclassified to profit or loss subsequently, even on sale of those investments.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

Derecognition of financial assets

The Group 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 such as repayments in the financial asset, sale of the financial asset etc.; or
- The Group 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 Group has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Group does not have any continuing involvement in the same. A write-off of a financial asset constitutes a derecognition event.

The Group 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 Group 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 Group 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 Group on looking at economic viability of certain portfolios measured at amortised cost may enter into transactions which are below the threshold provided by Management for assignment and sale of non-NPA portfolios which doesn't affect the business model of the Group.

Write-off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

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

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)**Treatment of the different stages of financial assets and the methodology of determination of ECL****(a) Credit impaired (stage 3)**

The Group 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 that customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructuring would normally involve modification of terms of the loans, which generally includes where repayment terms renegotiation as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. The renegotiation or modification does not result in derecognition of financial asset. Such loans are upgraded to stage 1 if-

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

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

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

The Parent Company and one of its subsidiary viz. Bfinsec considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date, whereas another subsidiary BHFL considers loan accounts which are overdue for more than 30 days but up to 90 days as on the reporting date, as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Group recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) 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 customer behavioural trends. 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 Group has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

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 high correlation 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 Group 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 Group recalibrates above components of its ECL model on annual basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Group 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. 48.

(e) Classification of ECL

ECL for financial assets measured at amortised cost is recognised in the Statement of Profit and Loss. For financial assets measured at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the Balance Sheet. Impairment loss pertaining to credit risk on such assets is reclassified immediately to the Statement of Profit and Loss.

(ii) Financial liabilities

Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Group subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)**3.4 Taxes**

Income tax comprises current tax and deferred tax.

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

Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

3.5 Property, plant and equipment and depreciation thereof

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

The Group provides for depreciation on a pro-rata basis, with reference to the month in which such asset is added or sold, for all tangible assets on straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Details of useful life is given in note no. 13.

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 an item of PPE is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss.

3.6 Intangible assets and amortisation thereof

The Group measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Group recognises internally generated intangible assets when the Group is certain that intangible asset would support/result in furtherance of Group's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group.

All 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.

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

3.7 Provisions and contingent liabilities

The Group 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 Group also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3.8 Leases

As a Lessee

The Group follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and 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 Group measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure. 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 Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Modification of lease

Modification of lease due to change in scope or consideration or lease term requires remeasurement of lease liability.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

As a Lessor

The Group has leased vehicles and transferred substantially all the associated risks and rewards incidental to ownership. Consequently, these leases are categorised as finance leases.

Assets leased out under finance leases are recorded as finance lease receivables, equivalent to the net investment in the lease. The net investment is calculated by discounting the gross lease investment at the interest rate implicit in the lease. The principal portion of lease payments decreases the net investment in the lease, while interest portion is recorded in the Statement of Profit and Loss under interest income throughout the lease term. This recognition is based on a consistent periodic rate of return on the Group's net investment in the lease.

3.9 Fair value measurement

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

The Group 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. 47.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

For the purpose of fair value disclosures, the Group 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.

3.10 Derivative financial instruments

The Group enters into derivative financial instruments such as foreign exchange forward contracts, Interest Rate Swap (IRS) and Cross Currency Interest Rate Swaps (CCIRS) to manage its exposure to interest rate risk and foreign exchange rate risk. 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 Parent Company designates its CCIRS, IRS and spot element of foreign exchange forward contract derivatives as cash flow hedges of a recognised liability and one of its subsidiary viz BHFL designates its IRS as fair value hedge of recognised liability. The Group 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 Group makes use of derivative instruments to manage exposures to interest rate risk and foreign currency risk. In order to manage particular risks, the Group applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Group'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 Group 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.

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.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

3 Summary of material accounting policies (Contd.)

Fair value hedge

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

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

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

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Cash on hand	56.81	58.84
Balance with banks		
In current accounts	2,635.07	3,975.67
In fixed deposits (with original maturity of 3 months or less)	950.58	-
	3,642.46	4,034.51

Cash and cash equivalents include cash on hand, bank balance in current account and fixed deposits 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.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Fixed deposits (with original maturity more than 3 months)*		
Encumbered	2,808.84	3,339.89
Unencumbered	6,948.88	3,167.20
Earmarked balance with banks		
Against unclaimed dividend	4.29	3.07
Escrow account balance	139.07	79.34
	9,901.08	6,589.50

*Includes:

- ₹ 1,969.01 crore (Previous year ₹ 2,319.19 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934;
- ₹ 328.19 crore (Previous year ₹ 384.43 crore) fixed deposit under lien with stock exchanges for margin requirement;
- ₹ 1.57 crore (Previous year ₹ 1.74 crore) deposits with exchange for trade;
- ₹ 489.88 crore (Previous year ₹ 540.72 crore) deposits with bank for bank guarantee;
- ₹ 0.25 crore (Previous year ₹ 0.24 crore) deposits with the Pension Fund Regulatory & Development Authority; and
- ₹ 19.88 crore (Previous year ₹ Nil) pledged as lien on securitisation borrowing.

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2025		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract	643.74	3.06	-
Fair value hedge			
Interest rate swaps	2,350.00	41.22	-
Futures	262.40	0.02	0.45
Option purchased	588.71	7.35	-
Options sold (written)	270.03	-	11.15
	19,205.91	250.56	37.13

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

7 Derivative financial instruments (at FVTPL) (Contd.)

Particulars	As at 31 March 2024		
	Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	6,015.79	15.69	0.85
Fair value hedge			
Interest rate swaps	1,850.00	11.66	0.83
Futures	208.23	0.09	0.44
Option purchased	107.17	0.40	-
	8,181.19	27.84	2.12

The Parent Company and one of its subsidiary viz. BHFL has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency, interest rate swaps and forwards. Such transactions are undertaken for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. Refer note no. 48(b)(iii) for foreign currency risk.

8 Trade receivables

Particulars	As at 31 March	
	2025	2024
Considered good - unsecured		
Interest subsidy	922.70	750.01
Fees, commission and others	873.33	840.41
Service asset	123.02	148.22
	1,919.05	1,738.64
Less : Impairment loss allowance	5.94	5.15
	1,913.11	1,733.49

-No trade receivables are due from directors or other officers of the Group 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.

-The Group follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Trade receivables (gross) ageing

Particulars	Outstanding from due date of payment							Total
	Not due	Unbilled	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025								
(i) Undisputed Trade receivables - considered good	961.63	113.86	843.56	-	-	-	-	1,919.05
As at 31 March 2024								
(i) Undisputed Trade receivables - considered good	799.22	115.18	822.99	0.02	1.09	0.14	-	1,738.64

Reconciliation of impairment loss allowance on trade receivables

Particulars	For the year ended 31 March	
	2025	2024
Impairment loss allowance as at beginning of the year	5.15	4.28
Net increase/(decrease) during the year	0.79	0.87
Impairment loss allowance at the end of the year	5.94	5.15

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

9 Loans

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	At amortised cost	At fair value through OCI*	Total	At amortised cost	At fair value through OCI*	Total
(A) Loans						
Term loans	345,415.84	68,936.10	414,351.94	272,820.72	58,037.30	330,858.02
Finance lease receivable	54.53	-	54.53	-	-	-
Credit substitutes [#]	420.03	-	420.03	476.33	-	476.33
	345,890.40	68,936.10	414,826.50	273,297.05	58,037.30	331,334.35
Less: Impairment loss allowance	6,625.53	356.83	6,982.36	4,713.65	327.38	5,041.03
Total - Net (A)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
(B) Out of above						
(I) Secured by tangible assets						
Against hypothecation of automobiles, equipments, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	180,170.64	68,936.10	249,106.74	143,667.00	58,037.30	201,704.30
Less: Impairment loss allowance	1,954.48	356.83	2,311.31	1,420.82	327.38	1,748.20
Total (I)	178,216.16	68,579.27	246,795.43	142,246.18	57,709.92	199,956.10
(II) Unsecured	165,719.76	-	165,719.76	129,630.05	-	129,630.05
Less: Impairment loss allowance	4,671.05	-	4,671.05	3,292.83	-	3,292.83
Total (II)	161,048.71	-	161,048.71	126,337.22	-	126,337.22
Total (B) = (I + II)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
(C) Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	345,890.40	68,936.10	414,826.50	273,297.05	58,037.30	331,334.35
Less: Impairment loss allowance	6,625.53	356.83	6,982.36	4,713.65	327.38	5,041.03
Sub-total (ii)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
Total (I) = (i+ii)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32

-The Group 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.

*The net value is the fair value of these loans

[#]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.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

9 Loans (Contd.)

Loan details

(₹ in crore)

As at 31 March

Particulars	2025	2024
Total gross loan	417,459.54	333,778.31
Less: EIR impact	2,633.04	2,443.96
Total for gross term loan net of EIR impact	414,826.50	331,334.35

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	405,457.84	5,403.92	3,964.74	414,826.50	324,507.43	4,010.94	2,815.98	331,334.35
Less: Impairment loss allowance	3,103.43	1,748.67	2,130.26	6,982.36	2,245.48	1,189.83	1,605.72	5,041.03
Net carrying amount	402,354.41	3,655.25	1,834.48	407,844.14	322,261.95	2,821.11	1,210.26	326,293.32
Impairment loss allowance as a percentage of gross carrying amount	0.77%	32.36%	53.73%	1.68%	0.69%	29.66%	57.02%	1.52%

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

(₹ in crore)

Particulars	For the year ended 31 March 2025							
	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 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03
Transfers during the year								
transfers to stage 1	418.66	97.37	(315.65)	(57.09)	(103.01)	(40.28)	-	-
transfers to stage 2	(4,679.06)	(88.48)	4,705.91	102.50	(26.85)	(14.02)	-	-
transfers to stage 3	(7,306.08)	(183.52)	(2,660.98)	(923.82)	9,967.06	1,107.34	-	-
	(11,566.48)	(174.63)	1,729.28	(878.41)	9,837.20	1,053.04	-	-
Impact of changes in credit risk on account of stage movements	-	(87.29)	-	1,374.85	-	8,048.46	-	9,336.02
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(120,373.61)	(456.63)	(1,785.40)	(464.01)	(2,895.45)	(2,380.14)	(125,054.46)	(3,300.78)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	212,890.50	1,576.50	1,449.10	526.41	1,270.44	866.61	215,610.04	2,969.52
Amounts written off during the year	-	-	-	-	(7,063.43)	(7,063.43)	(7,063.43)	(7,063.43)
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

9 Loans (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2024							
	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 2023	241,289.96	1,957.26	3,032.91	933.29	2,312.81	1,476.20	246,635.68	4,366.75
Transfers during the period								
transfers to stage 1	473.93	138.09	(332.97)	(64.30)	(140.96)	(73.79)	-	-
transfers to stage 2	(3,074.81)	(50.96)	3,104.84	65.86	(30.03)	(14.90)	-	-
transfers to stage 3	(4,461.85)	(82.28)	(1,566.01)	(571.80)	6,027.86	654.08	-	-
	(7,062.73)	4.85	1,205.86	(570.24)	5,856.87	565.39	-	-
Impact of changes in credit risk on account of stage movements	-	(125.63)	-	885.54	-	4,999.13	-	5,759.04
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(95,298.59)	(621.95)	(1,326.66)	(401.83)	(2,217.35)	(1,970.66)	(98,842.60)	(2,994.44)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	185,578.79	1,030.95	1,098.83	343.07	1,045.19	717.20	187,722.81	2,091.22
Amounts written off during the year	-	-	-	-	(4,181.54)	(4,181.54)	(4,181.54)	(4,181.54)
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03

Finance lease disclosure

The Company has entered into a lease arrangements for vehicles as a lessor. As material risks and rewards are transferred to the lessee, these are accounted as finance lease. The lease term of these leases ranges from 1 year to 5 years. The contracted interest rate ranges from 10.25% to 11.50% p.a.

The maturity analysis of lease receivables, including the undiscounted lease payments to be received are as follows-

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Undiscounted lease payments due		
Within 12 months	16.66	-
After 12 months	51.40	-
Total undiscounted lease payments receivable	68.06	-
Less: Unearned finance income	13.53	-
Gross finance lease receivable	54.53	-
Less: Impairment loss allowance	0.35	-
Net finance lease receivable	54.18	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

10 Investments

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(A) At amortised cost		
In pass through certificates (PTC) representing securitisation of loan receivables	194.63	356.89
	194.63	356.89
Less: Impairment loss allowance	0.78	1.43
Total (A)	193.85	355.46
(B) At fair value through other comprehensive income		
(i) In Government securities	22,297.91	22,458.94
Add: Fair value gain/(losses)	150.34	11.98
Sub-total (i)	22,448.25	22,470.92
Includes carrying value of		
(i) ₹ 4,651.84 crore (Previous year ₹ 4,628.28 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,		
(ii) ₹ 3,930.77 crore (Previous year ₹ Nil) utilised for Repurchase Agreement borrowing (Repo) transaction,		
(iii) ₹ 12,305.43 crore (Previous year ₹ 17,245.47 crore) pledged for triparty repo dealing and settlement (TREPs), and		
(iv) ₹ 199.31 crore (Previous Year ₹ Nil) kept as margin for securities segment with Clearing Corporation of India Limited (CCIL).		
(ii) In equity instruments		
Equity shares (Quoted)	446.89	150.00
Add: Fair value gain/(losses)	(129.90)	(47.11)
	316.99	102.89
Equity shares (Unquoted)*	318.16	299.58
Add: Fair value gain/(losses)	106.46	76.96
	424.62	376.54
Compulsorily convertible term loan*	-	280.47
Add: Fair value gain/(losses)	-	42.21
	-	322.68
Sub-total (ii)	741.61	802.11
*On 26 March 2025, Bajaj Finserv Direct Limited has converted compulsorily convertible term loans into 65,534,670 equity shares at a pre-agreed price of ₹ 43.46 per share.		
(iii) In certificate of deposits	2,740.25	1,450.71
Add: Fair value gain/(losses)	4.18	2.53
Sub-total (iii)	2,744.43	1,453.24
(iv) In commercial papers	925.96	247.13
Add: Fair value gain/(losses)	0.42	0.13
Sub-total (iv)	926.38	247.26
(v) In non-convertible debentures	212.83	212.88
Add: Fair value gain/(losses) (Current year ₹ 40,836)		(0.49)
Sub-total (v)	212.83	212.39
Total (B) = (i+ii+iii+iv+v)	27,073.50	25,185.92

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

10 Investments (Contd.)

(₹ in crore)		
As at 31 March		
Particulars	2025	2024
(C) At fair value through profit or loss		
(i) In mutual funds*	5,246.86	2,525.61
Add: Fair value gains/(losses)	17.45	7.12
Sub-total (i)	5,264.31	2,532.73
*Includes carrying value of		
(i) ₹ Nil (Previous year ₹ 8.78 crore) under lien with Indian Clearing Corporation Limited for margin requirement		
(ii) ₹ 5.57 crore (Previous year ₹ 5.19 crore) pledged in favour of National Securities Depository Limited (NSDL) as money margin.		
(ii) In Government securities	1,245.43	2,269.71
Add: Fair value gains/(losses)	0.06	0.89
Sub-total (ii)	1,245.49	2,270.60
Includes carrying value of ₹ 25.22 crore (Previous year ₹ 522.27 crore) pledged in favour of CCIL for TREPs.		
(iii) In equity shares	280.07	141.55
Add: Fair value gains/(losses)	(23.19)	24.97
Sub-total (iii)	256.88	166.52
Includes carrying value of ₹ 0.01 crore (Previous year ₹ 164.83 crore) pledged in favour of ICCL for margin requirement.		
(iv) In Infrastructure investment trust (Invit) units	20.00	-
Add: Fair value gains/(losses)	-	-
Sub-total (iv)	20.00	-
Total (C) = (i+ii+iii+iv)	6,786.68	4,969.85
(D) At cost		
Investment in associates	386.81	369.42
Total (D)	386.81	369.42
Total (A+B+C+D)	34,440.84	30,880.65

(₹ in crore)		
As at 31 March		
Particulars	2025	2024
Out of above		
In India	34,440.84	30,880.65
Outside India	-	-
	34,440.84	30,880.65

-Impairment allowance recognised on investments is ₹ Nil (Previous year ₹ Nil) except where specified.

Reconciliation of impairment loss allowance on investments

(₹ in crore)		
For the year ended 31 March		
Particulars	2025	2024
Impairment loss allowance as at beginning of the year	1.43	0.52
Net increase/(decrease) during the year	(0.65)	0.91
Impairment loss allowance at the end of the year	0.78	1.43

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

11 Other financial assets

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Security deposits	136.23	127.71
Margin with exchanges	164.26	430.17
Advances to dealers	52.63	275.43
Credit cover under Government guarantee schemes	1,108.74	321.93
Receivable from debt management agencies	216.72	160.32
Receivable from online payment aggregator and gateways	92.51	43.39
Interest only strips	474.58	27.42
Receivable from assignment servicing partners	136.65	1.58
Others	69.01	47.52
	2,451.33	1,435.47
Less : Impairment loss allowance	6.34	3.59
	2,444.99	1,431.88

Reconciliation of impairment loss allowance on other financial assets

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Impairment loss allowance as at beginning of the year	3.59	2.33
Net increase/(decrease) during the year	2.75	1.26
Impairment loss allowance at the end of the year	6.34	3.59

12 Income taxes

(A) Current tax

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

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Profit before tax	22,079.63	19,309.57
At average corporate tax rate of 25.17% (Previous year: 25.17%)	5,555.40	4,858.30
Current tax adjustment with respect to earlier years*	(275.12)	-
Impact of income taxed at different rates	1.06	-
Tax on expenditure not considered for tax provision (net of allowance)**	96.78	141.16
Reversal of deferred tax on opening special reserve u/s 36(1)(viii)	-	(75.42)
Deduction under section 36(1)(viii) of the Income tax Act, 1961*	(75.51)	(59.15)
Tax benefit on additional deductions	(2.46)	(6.49)
Tax expense (Effective tax rate of 24.005%, Previous year 25.161%)	5,300.15	4,858.40

*During the year, the Group has re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Group has reversed tax expense for earlier years and reduced the current year's tax provision.

**The Group has decided not to use special reserve that was formed and kept for the specified purposes under section 36(1)(viii) of the Income tax Act, 1961. Since there is no temporary difference, there is no need to recognise any deferred tax liability. Therefore, the remaining deferred tax liability as of 31 March 2023 has been reversed in the current financial year with a credit to the Statement of Profit and Loss

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

12 Income taxes (Contd.)**(B) Deferred tax assets (net)****Movement in Deferred tax asset/(liability)****For the financial year 2024-25**

(₹ in crore)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in Other equity	Balance as at 31 March 2025
(a) Deferred tax asset					
Property, plant and equipment and intangible assets	1.46	0.92	-	-	2.38
Remeasurements of employee benefits	102.50	16.66	6.25	-	125.41
Expected credit loss	984.73	171.13	-	-	1,155.86
Fair value on instruments designated under FVTPL	0.10	3.47	-	-	3.57
Cash flow hedge reserve	3.00	-	29.48	-	32.48
Mark to market impact on fair value hedge	0.57	(0.05)	-	-	0.52
Fair value on equity instruments designated under FVOCI	-	-	3.36	-	3.36
Right of use assets and lease liability (net)	181.10	66.78	-	-	247.88
Fair value of security deposit	-	0.47	-	-	0.47
Share issue expenses	-	-	-	10.11	10.11
Other temporary differences	9.67	3.46	-	-	13.13
Gross deferred tax assets (a)	1,283.13	262.84	39.09	10.11	1,595.18
(b) Deferred tax liabilities					
Property, plant and equipment and intangible assets	(29.85)	(9.64)	-	-	(39.49)
Service asset	(44.20)	(106.21)	-	-	(150.41)
Fair value on instruments designated under FVTPL	(5.07)	0.84	-	-	(4.23)
Fair value on equity instruments designated under FVOCI	(21.86)	-	21.86	-	-
Fair value on debt instruments designated under FVOCI	(3.56)	-	(35.45)	-	(39.01)
Cost of hedging reserve	-	-	(1.44)	-	(1.44)
Lease liability	(161.16)	(58.16)	-	-	(219.32)
Other temporary differences	-	(0.08)	-	-	(0.08)
Gross deferred tax liabilities (b)	(265.70)	(173.25)	(15.03)	-	(453.98)
Deferred tax assets/(liabilities), net (a+b)	1,017.43	89.59	24.06	10.11	1,141.20

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

12 Income taxes (Contd.)

Movement in Deferred tax asset/(liability)

For the financial year 2023-24

(₹ in crore)

Particulars	Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	Recognised in Other equity	Balance as at 31 March 2024
(a) Deferred tax asset					
Property, plant and equipment and intangible assets	0.99	0.47	-	-	1.46
Remeasurements of employee benefits	65.33	21.65	15.52	-	102.50
Expected credit loss	985.06	(0.33)	-	-	984.73
Fair value on instruments designated under FVTPL	0.72	(0.62)	-	-	0.10
Cash flow hedge reserve	-	-	3.00	-	3.00
Mark to market impact on fair value hedge	0.01	0.56	-	-	0.57
Fair value on equity instruments designated under FVOCI	7.96	-	(7.96)	-	-
Right of use assets and lease liability (net)	126.45	54.65	-	-	181.10
Fair value on debt instruments designated under FVOCI	6.37	-	(6.37)	-	-
Other temporary differences	5.18	4.49	-	-	9.67
Gross deferred tax assets (a)	1,198.07	80.87	4.19	-	1,283.13
(b) Deferred tax liabilities					
Property, plant and equipment and intangible assets	(13.05)	(16.80)	-	-	(29.85)
Service asset	(48.82)	4.62	-	-	(44.20)
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	(73.08)	73.08	-	-	-
Fair value on instruments designated under FVTPL	(2.45)	(2.62)	-	-	(5.07)
Fair value on equity instruments designated under FVOCI	-	-	(21.86)	-	(21.86)
Fair value on debt instruments designated under FVOCI	-	-	(3.56)	-	(3.56)
Lease liability	(112.46)	(48.70)	-	-	(161.16)
Cash flow hedge reserve	(2.24)	-	2.24	-	-
Other temporary differences	(8.88)	8.88	-	-	-
Gross deferred tax liabilities (b)	(260.98)	18.46	(23.18)	-	(265.70)
Deferred tax assets/(liabilities), net (a+b)	937.09	99.33	(18.99)	-	1,017.43

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

13 (A) Property, plant and equipment and other intangible assets**For the financial year 2024-25**

Particulars	Gross block				Depreciation and amortisation			Net block	
	As at 1 April 2024	Additions	Deductions/ Adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ Adjustments	For the year	As at 31 March 2025	As at 31 March 2025
Property, plant and equipment (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Building (c) (e)	263.60	-	-	263.60	73.59	-	3.67	77.26	186.34
Computers and data processing units	562.93	199.23	87.33	674.83	248.10	63.36	124.65	309.39	365.44
Office equipment	342.65	109.33	20.04	431.94	213.96	18.04	61.68	257.60	174.34
Furniture and fixtures	299.58	56.98	16.75	339.81	130.32	13.33	37.34	154.33	185.48
Vehicles	373.16	193.03	43.90	522.29	96.11	22.44	78.21	151.88	370.41
Leasehold improvements	312.25	42.52	13.99	340.78	229.02	13.85	29.95	245.12	95.66
Sub-total (i)	2,427.48	601.09	182.01	2,846.56	991.10	131.02	335.50	1,195.58	1,650.98
Right-of-use (f)									
Right-of-use - Premises (e)	1,336.22	391.82	118.96	1,609.08	432.29	114.79	263.49	580.99	1,028.09
Right-of-use - Server	37.48	1.89	9.78	29.59	19.47	3.79	4.09	19.77	9.82
Sub-total (ii)	1,373.70	393.71	128.74	1,638.67	451.76	118.58	267.58	600.76	1,037.91
Sub-total (iii=i+ii)	3,801.18	994.80	310.75	4,485.23	1,442.86	249.60	603.08	1,796.34	2,688.89
Other intangible assets (d)									
Computer softwares	911.19	258.94	144.25	1,025.88	424.98	120.58	168.19	472.59	553.29
Internally generated software	517.89	242.34	-	760.23	115.79	-	109.72	225.51	534.72
Sub-total (iv)	1,429.08	501.28	144.25	1,786.11	540.77	120.58	277.91	698.10	1,088.01
Total (v=iii+iv)	5,230.26	1,496.08	455.00	6,271.34	1,983.63	370.18	880.99	2,494.44	3,776.90

For the financial year 2023-24

Particulars	Gross block				Depreciation and amortisation			Net block	
	As at 1 April 2023	Additions	Deductions/ Adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ Adjustments	For the year	As at 31 March 2024	As at 31 March 2024
Property, plant and equipment (a)									
Freehold land (b) (e)	271.91	5.42	4.02	273.31	-	-	-	-	273.31
Buildings (c) (e)	261.44	2.16	-	263.60	69.92	-	3.67	73.59	190.01
Computers and data processing units	429.21	199.35	65.63	562.93	194.41	46.42	100.11	248.10	314.83
Office equipment	268.33	86.66	12.34	342.65	179.13	11.88	46.71	213.96	128.69
Furniture and fixtures	227.17	82.29	9.88	299.58	98.62	8.36	40.06	130.32	169.26
Vehicles	241.62	165.23	33.69	373.16	54.38	15.65	57.38	96.11	277.05
Leasehold improvements	249.15	66.67	3.57	312.25	207.60	3.43	24.85	229.02	83.23
Sub-total (i)	1,948.83	607.78	129.13	2,427.48	804.06	85.74	272.78	991.10	1,436.38
Right-of-use (f)									
Right-of-use - Premises (e)	821.72	602.33	87.83	1,336.22	311.09	74.28	195.48	432.29	903.93
Right-of-use - Server	35.51	1.97	-	37.48	14.34	-	5.13	19.47	18.01
Sub-total (ii)	857.23	604.30	87.83	1,373.70	325.43	74.28	200.61	451.76	921.94
Sub-total (iii=i+ii)	2,806.06	1,212.08	216.96	3,801.18	1,129.49	160.02	473.39	1,442.86	2,358.32
Other intangible assets (d)									
Computer softwares	699.62	249.89	38.32	911.19	316.60	28.99	137.37	424.98	486.21
Internally generated software	288.41	231.54	2.06	517.89	43.65	0.42	72.56	115.79	402.10
Sub-total (iv)	988.03	481.43	40.38	1,429.08	360.25	29.41	209.93	540.77	888.31
Total (v=iii+iv)	3,794.09	1,693.51	257.34	5,230.26	1,489.74	189.43	683.32	1,983.63	3,246.63

(a) See note no. 3.5

(b) Represents share in undivided portion of land on purchase/construction of office premises

(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 500)

(d) See note no. 3.6

(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Group.

(f) See note no. 3.8

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

13 (A) Property, plant and equipment and other intangible assets (Contd.)

Depreciation and amortisation

Depreciation and amortisation is provided using straight-line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided from/up to the month in which such asset is added or sold as the case may be.

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 of the Companies Act, 2013 where the useful life is as assessed and certified by a technical expert.

Nature of assets	Useful life adopted by the Group
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Other office equipments	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements	Lease tenure or 5 years, whichever is less
Intangible assets including those internally generated	5 years

*Evaluated useful lives is different from Schedule II of Companies Act, 2013.

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.

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

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening balance	25.35	14.60
Additions	74.01	22.35
Deductions/Adjustments	72.62	11.60
Closing balance	26.74	25.35

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

13 (B) Capital work-in-progress and intangible assets under development (Contd.)**Ageing for capital work-in-progress**

(₹ in crore)

Particulars	As at	Amount for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 2025	9.99	2.15	1.33	13.27	26.74
Projects in progress	31 March 2024	10.75	1.33	6.20	7.07	25.35

Intangible assets under development

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Opening balance	18.11	65.24
Additions	496.04	431.15
Deductions/Adjustments	499.60	478.28
Closing balance	14.55	18.11

Ageing for intangible assets under development

(₹ in crore)

Particulars	As at	Amount for a period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 2025	14.55	-	-	-	14.55
Projects in progress	31 March 2024	18.11	-	-	-	18.11

-The Group does not have any project temporarily 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 completion schedule is not applicable.

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Capital advances	5.84	24.26
Deposits against appeals	40.50	38.95
Advances to suppliers and others*	199.88	85.51
	246.22	148.72

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

15 Payables

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises [#]	1.80	0.73
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,876.24	2,063.31
	1,878.04	2,064.04
(II) Other payables		
Total outstanding dues of micro enterprises and small enterprises [#]	0.42	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	930.49	764.58
	930.91	764.58

[#]Based on and to the extent of the information received by the Group 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:

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	2.22	0.73
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	36.65	50.60
Interest paid to suppliers under MSMED Act (section 16)	0.42	0.64
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 (since paid)	-	-

Trade payables ageing

							(₹ in crore)
Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2025							
(i) MSME	1.27	-	0.53	-	-	-	1.80
(ii) Others	267.45	925.74	632.99	49.90	-	0.16	1,876.24
	268.72	925.74	633.52	49.90	-	0.16	1,878.04
As at 31 March 2024							
(i) MSME	0.42	-	0.31	-	-	-	0.73
(ii) Others	473.27	780.04	809.73	0.11	-	0.16	2,063.31
	473.69	780.04	810.04	0.11	-	0.16	2,064.04

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

16 Debt securities

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(A) At amortised cost		
Redeemable non-convertible debentures		
Secured and fully paid*	118,284.62	84,896.28
Unsecured and partly paid	2,641.49	2,014.82
Unsecured and fully paid	6,253.19	6,258.92
	127,179.30	93,170.02
Commercial papers - Unsecured	27,460.43	24,829.52
	154,639.73	117,999.54
(B) Out of above		
In India	154,639.73	117,999.54
Outside India	-	-
	154,639.73	117,999.54

*All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during year ended 31 March 2025 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 and one of its subsidiary viz. BHFL has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 500 crore (Previous year ₹ 1,750 crore). The total outstanding as on 31 March 2025 is ₹ 2,350 crore (Previous year ₹ 1,850 crore).

(C) Terms of repayment of non-convertible debentures (NCDs)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March	
				2025	2024
Redeemable at par					
INE296A07FV8	9.05%	7-Apr-15	7-Apr-24	-	165.00
INE296A07RR1	5.95%	30-Mar-21	12-Apr-24	-	1,500.00
INE296A07RU5	5.65%	10-May-21	10-May-24	-	3,150.00
INE296A07PY1	8.05%	1-Jun-17	31-May-24	-	1,000.00
INE296A07QV5	8.55%	15-May-19	6-Jun-24	-	75.00
INE377Y07227	5.70%	28-May-21	10-Jun-24	-	1,450.00
INE377Y07235	5.60%	21-Jun-21	21-Jun-24	-	985.00
INE296A07SA5	7.20%	13-Jul-22	12-Jul-24	-	750.00
INE377Y07318	7.42%	12-Jul-22	12-Jul-24	-	1,000.00
INE377Y07342	7.28%	29-Aug-22	29-Aug-24	-	250.00
INE296A07RK6	6.00%	27-Aug-20	10-Sep-24	-	585.00
INE296A07RV3	5.55%	27-Aug-21	10-Oct-24	-	1,230.00
INE296A07EG2	9.36%	17-Nov-14	18-Nov-24	-	100.00
INE296A07QD3	7.46%	10-Oct-17	18-Nov-24	-	1,000.00
INE377Y07250	5.69%	6-Sep-21	6-Dec-24	-	565.00
INE296A07QY9	7.66%	14-Nov-19	9-Dec-24	-	235.00
INE296A07QZ6	7.65%	28-Jan-20	7-Feb-25	-	850.00
INE296A07RC3	7.30%	20-Feb-20	10-Mar-25	-	1,035.00
INE296A07FV8	9.05%	7-Apr-15	7-Apr-25	170.00	170.00
INE377Y07276	5.75%	21-Sep-21	21-Apr-25	330.00	330.00

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

16 Debt securities (Contd.)

				(₹ in crore)	
				As at 31 March	
ISIN	Coupon rate	Issue date	Date of redemption	2025	2024
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	1,317.00	1,317.00
INE377Y07326	7.65%	21-Jul-22	21-Jul-25	1,050.00	1,050.00
INE296A07SB3	7.38%	8-Aug-22	8-Aug-25	1,575.00	1,575.00
INE377Y07334	7.42%	12-Aug-22	12-Aug-25	2,100.00	2,100.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	90.00	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	5.00	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	5,100.00	5,100.00
INE377Y07391	7.83%	14-Dec-22	12-Dec-25	725.00	725.00
INE296A07R08	6.00%	24-Dec-20	24-Dec-25	681.00	681.00
INE296A07QS1	8.95%	9-Jan-19	8-Jan-26	1,495.00	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	300.00	300.00
INE377Y07466	8.00%	16-Feb-24	16-Feb-26	1,000.00	1,000.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	1,795.00	1,795.00
INE377Y07375	7.92%	9-Nov-22	16-Mar-26	2,865.00	2,865.00
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	28.00	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	135.00	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	5.00	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	3.00	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	-
INE377Y07425	7.78%	26-May-23	26-May-26	2,600.00	1,500.00
INE296A07LG7	8.65%	4-Jul-16	3-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	-
INE377Y07490	7.98%	9-Jul-24	9-Sep-26	1,520.00	-
INE296A07M09	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	8-Jan-27	1,625.00	1,625.00
INE377Y07441	8.04%	18-Jan-24	18-Jan-27	1,000.00	1,000.00
INE296A07TG0	7.72%	10-Dec-24	26-Mar-27	1,000.00	-
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	395.00
INE377Y07300	7.70%	23-May-22	21-May-27	1,346.00	1,346.00
INE296A07RZ4	7.70%	7-Jun-22	7-Jun-27	1,581.00	1,581.00
INE377Y07482	8.10%	8-May-24	8-Jul-27	3,000.00	-
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	-
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE377Y07383	7.98%	18-Nov-22	18-Nov-27	500.00	500.00
INE296A07TF2	7.80%	9-Oct-24	10-Dec-27	1,750.00	-
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE377Y07532	7.66%	20-Dec-24	20-Mar-28	2,175.00	-
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE377Y07417	7.90%	28-Apr-23	28-Apr-28	500.00	500.00
INE296A07SN8	7.73%	7-Jun-23	7-Jun-28	500.00	500.00
INE377Y07433	7.85%	1-Sep-23	1-Sep-28	1,350.00	1,350.00

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March	
				2025	2024
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE377Y07474	8.05%	8-May-24	8-May-29	1,500.00	-
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	-
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	-
INE296A08870	8.06%	4-Oct-16	4-Oct-29	365.00	365.00
INE377Y07524	8.11%	17-Oct-24	17-Oct-29	1,500.00	-
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	430.00
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07RN0	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,483.00	2,483.00
INE377Y07284	7.25%	29-Oct-21	29-Oct-31	571.00	571.00
INE296A07RW1	7.15%	2-Dec-21	2-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	6-Jun-17	7-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	8-Sep-22	8-Sep-32	327.00	327.00
INE377Y07359	7.89%	8-Sep-22	8-Sep-32	500.00	500.00
INE377Y07367	7.84%	23-Sep-22	23-Sep-32	500.00	500.00
INE377Y07409	8.04%	9-Feb-23	9-Feb-33	750.00	750.00
INE296A07SW9	7.92%	20-Feb-24	19-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00
INE296A08961	9.11%	6-Nov-18	2-Nov-33	4,575.00	4,575.00
INE296A07SV1	7.82%	8-Feb-24	31-Jan-34	7,995.00	400.00
INE296A07SU3	7.87%	8-Feb-24	8-Feb-34	1,887.30	1,887.30
INE377Y07458	7.80%	9-Feb-24	9-Feb-34	1,500.00	1,000.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	2-May-24	2-May-34	2,360.50	-
INE377Y07508	7.89%	15-Jul-24	14-Jul-34	4,000.00	-
INE296A07TE5	7.70%	4-Oct-24	4-Oct-34	750.00	-
INE377Y07516	7.56%	4-Oct-24	4-Oct-34	1,750.00	-
INE377Y08118	8.00%	31-Jan-20	7-Feb-35	630.00	525.00
INE377Y08126	7.70%	13-Mar-20	9-Mar-35	882.00	735.00
INE296A08979/ INE296A08987	7.99%	1-Jun-22	1-Jun-35	1,050.00	700.00

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

16 Debt securities (Contd.)

				(₹ in crore)	
				As at 31 March	
ISIN	Coupon rate	Issue date	Date of redemption	2025	2024
Redeemable at premium					
INE296A07RY7	6.42%	18-Feb-22	18-Feb-26	906.00	906.00
INE377Y07219	5.80%	5-May-21	10-May-24	-	135.00
				122,460.50	89,960.40
Interest accrued				4,822.82	3,294.36
Impact of EIR (including premium and discount on NCD)				(147.31)	(97.83)
Fair value gain/(loss) on NCD hedged through interest rate swap				43.29	13.09
				127,179.30	93,170.02

-Includes partly paid NCD on which amount to be called and paid is ₹ 350 crore each in May 2025 and June 2026

-Includes partly paid NCD on which amount to be called and paid is ₹ 120 crore in Jan 2026

-Includes partly paid NCD on which amount to be called and paid is ₹ 168 crore in Mar 2026

Out of above NCD having put option are as under:

				(₹ in crore)	
				As at 31 March	
ISIN	Coupon rate	Put option date		2025	2024
INE296A07SL2	7.75%	15-May-26		2,075.00	2,075.00
INE296A07SV1	7.82%	7-Feb-27		7,995.00	400.00
				10,070.00	2,475.00

(D) Terms of repayment of commercial papers

			(₹ in crore)	
			As at 31 March	
Particulars			2025	2024
Redeemable at par with original maturity up to 1 year				
- Due within 1 year			27,426.99	24,750.39
Impact of EIR			33.44	79.13
			27,460.43	24,829.52

-Interest rate ranges from 7.45% to 8.05% p.a as at 31 March 2025 (Previous year 7.48% to 8.85% p.a)

-As at 31 March 2025, face value of commercial paper is ₹ 27,925 crore (Previous year ₹ 25,340 crore)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(A) In India		
At amortised cost:		
Term loans from banks	84,844.61	79,258.27
Term loan from National Housing Bank (NHB)#	8,372.40	6,837.59
Cash credit/Overdraft facility	3,783.79	681.31
Working capital demand loans	2,367.58	3,062.89
Triparty repo dealing and settlement (TREPs) against Government securities	11,676.78	15,758.96
Repurchase agreement borrowings (Repo)	3,929.78	-
Securitisation liabilities*	1,753.68	-
	116,728.62	105,599.02
Outside India		
External commercial borrowing (ECB)**	15,373.63	6,018.45
	15,373.63	6,018.45
(B) Out of above		
Secured (Against loans, book debts and other receivables)	130,652.72	111,117.37
Unsecured	1,449.53	500.10
	132,102.25	111,617.47

#All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 2,893.75 crore during the year ended 31 March 2025 (Previous Year ₹ 5,499.38 crore) against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

*Represents associated liabilities in respect of securitisation transactions, the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Group from Trust. The Group has provided additional external credit enhancement to the Trust by way of cash collateral.

**External commercial borrowing is denominated in foreign currency and secured against book debts.

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

(C) Terms of repayment of term loans from bank as at 31 March 2025

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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
Monthly										
Up to 3 years	72	422.50	48	320.63	-	-	-	-	120	743.13
Quarterly										
Up to 3 years	6	291.68	10	341.68	8	116.64	-	-	24	750.00
Over 3 to 4 years	48	1,643.75	40	1,365.63	26	800.00	12	269.69	126	4,079.07
Over 4 years	121	2,281.13	111	2,368.97	81	1,759.38	127	1,926.53	440	8,336.01
Half yearly										
Up to 3 years	5	333.33	8	733.33	2	116.67	-	-	15	1,183.33
Over 3 to 4 years	20	1,568.14	20	1,568.18	8	575.89	2	6.25	50	3,718.46
Over 4 years	147	9,285.56	191	13,304.02	166	11,454.56	258	13,596.12	762	47,640.26

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

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

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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
Yearly										
Upto 3 years	1	50.00	1	75.00	1	125.00	-	-	3	250.00
Over 3 to 4 years	-	-	-	-	-	-	-	-	-	-
Over 4 years	12	1,130.00	12	1,580.00	13	1,413.22	20	1,805.00	57	5,928.22
On maturity (Bullet)										
Up to 3 years	8	6,300.00	2	550.00	3	650.00	-	-	13	7,500.00
Over 3 to 4 years	1	499.74	-	-	2	1,500.00	-	-	3	1,999.74
Over 4 years	-	-	1	500.00	2	2,200.00	-	-	3	2,700.00
Interest accrued	-	16.62	-	-	-	-	-	-		16.62
Impact of EIR										(0.23)
										84,844.61

-Interest rate ranges from 6.61 % p.a. to 8.80 % p.a. as at 31 March 2025

Terms of repayment of term loans from bank as at 31 March 2024

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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	-	-	2	225.00	2	225.00	-	-	4	450.00
Over 3 to 4 years	42	2,015.00	28	1,125.00	20	846.88	6	281.25	96	4,268.13
Over 4 years	137	3,071.53	113	2,258.41	99	2,337.92	161	3,246.68	510	10,914.54
Half yearly										
Up to 3 years	2	200.00	1	100.00	4	500.00	-	-	7	800.00
Over 3 to 4 years	15	1,151.18	14	1,133.32	14	1,133.36	3	212.50	46	3,630.36
Over 4 years	117	5,907.82	136	8,519.68	149	10,750.99	251	15,596.36	653	40,774.85
Yearly										
Over 3 to 4 years	4	800.00	-	-	-	-	-	-	4	800.00
Over 4 years	20	1,697.91	14	1,481.66	15	1,971.66	36	3,141.57	85	8,292.80
On maturity (Bullet)										
Up to 3 years	4	870.00	4	2,300.00	2	550.00	-	-	10	3,720.00
Over 3 to 4 years	3	2,400.00	1	499.74	-	-	-	-	4	2,899.74
Over 4 years	-	-	-	-	1	500.00	2	2,200.01	3	2,700.01
Interest accrued	-	11.19	-	-	-	-	-	-		11.19
Impact of EIR										(3.35)
										79,258.27

-Interest rate ranges from 5.05% p.a. to 9.20% p.a. as at 31 March 2024

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

17 Borrowings (other than debt securities) (Contd.)**(D) Terms of repayment of working capital demand loans from bank**

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	5	2,366.27	6	3,062.24
Interest accrued		1.31		0.65
	5.00	2,367.58	6	3,062.89

-Interest rate ranges from 7.11% p.a to 9.30% p.a as at 31 March 2025 (Previous year 7.10% p.a to 8.75% p.a)

(E) Terms of repayment of TREPs

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	28	11,676.78	35	15,758.96
	28	11,676.78	35	15,758.96

-Interest rate ranges from 6.00% p.a to 6.99% p.a as at 31 March 2025 (Previous year 6.26% p.a to 7.25% p.a)

(F) Terms of repayment of term loan from NHB as at 31 March 2025

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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										
More than 4 years	111	883.30	148	1,177.73	148	1,177.73	651	5,133.64	1,058.00	8,372.40
										8,372.40

Interest rate ranges from 5.25% p.a. to 8.45% p.a. as at 31 March 2025.

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

Original maturity of loan	Residual maturity of loan								Total	
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years			
	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										
More than 4 years	78	647.47	104	863.29	104	863.29	545	4,463.54	831	6,837.59
										6,837.59

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

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

(G) Terms of repayment of external commercial borrowing

	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Original maturity of loan				
Due within 1 to 2 years				
Original maturity over 2 to 3 years	5	3,637.21	-	-
Original maturity over 3 years	4	2,567.44	-	-
Due within 2 to 3 years				
Original maturity over 2 to 3 years	11	8,558.14	5	3,543.39
Original maturity over 3 years	1	641.06	4	2,501.22
Interest accrued		34.80		10.01
Impact of EIR		(65.02)		(36.17)
	21	15,373.63	9	6,018.45

- Contracted interest rate ranges from 5.30% p.a to 5.61% p.a as at 31 March 2025 (Previous year 5.96% p.a to 6.61% p.a)

- Interest rate ranges from 7.47% p.a to 8.11% p.a post effective hedge as at 31 March 2025 (Previous year 7.40% to 8.11% p.a)

(H) Terms of repayment of repo borrowing

	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Particulars				
On maturity (Bullet)				
Up to 1 year	10	3,929.78	-	-
	10	3,929.78	-	-

- Contracted interest rate is 7.40% p.a as at 31 March 2025 (Previous year Nil)

(I) Terms of repayment of securitisation liabilities

	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Particulars				
Original maturity over 3 years				
Due Within 1 year	12	396.97	-	-
Due in 1 to 2 years	12	413.91	-	-
Due in 2 to 3 years	12	381.74	-	-
Due in over 3 years	24	556.29	-	-
Interest accrued		4.89		
Impact of EIR		(0.12)		
	60	1,753.68	-	-

- Contracted interest rate is 7.75% p.a as at 31 March 2025 (Previous year Nil)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(A) At amortised cost		
Public deposits*	41,792.22	38,012.62
From others	29,610.91	22,138.30
	71,403.13	60,150.92

*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 2025

(₹ 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	12,233.43	-	-	-	12,233.43
Over 1 to 2 years	8,707.42	6,294.21	-	-	15,001.63
Over 2 to 3 years	4,587.77	3,125.36	3,066.53	-	10,779.66
Over 3 years	2,704.81	8,945.86	13,246.01	5,710.50	30,607.18
Interest accrued	1,396.03	876.34	623.13	77.01	2,972.51
Impact of EIR					(191.28)
					71,403.13

Terms of repayment of deposits as at 31 March 2024

(₹ 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	11,645.18	-	-	-	11,645.18
Over 1 to 2 years	9,012.39	3,409.77	-	-	12,422.16
Over 2 to 3 years	4,578.31	4,635.63	2,548.35	-	11,762.29
Over 3 years	1,350.99	2,782.64	9,265.73	8,865.68	22,265.04
Interest accrued	1,269.13	451.67	378.50	141.75	2,241.05
Impact of EIR					(184.80)
					60,150.92

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	3,103.54	3,577.90
	3,103.54	3,577.90
(B) Outside India	-	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

19 Subordinated liabilities (Unsecured) (Contd.)

(C) Terms of repayment of subordinated liabilities

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March	
				2025	2024
Redeemable at par					
INE296A08714	10.15%	19-Sep-14	19-Sep-24	-	452.50
INE296A08755	8.94%	21-Oct-15	21-Oct-25	40.00	40.00
INE296A08763	8.94%	9-Nov-15	7-Nov-25	250.00	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	2-Dec-16	2-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
				2,950.00	3,402.50
Interest accrued				158.92	183.48
Impact of EIR				(5.38)	(8.08)
				3,103.54	3,577.90

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Unclaimed dividends*	4.29	3.07
Book overdraft	26.48	98.00
Security deposits	190.00	175.13
Lease liability ⁺	1,121.19	1,001.16
Unclaimed matured deposits*	0.35	0.44
Payable to assignment partners	93.95	50.58
Outstanding liability for prepaid instrument	120.11	59.38
Unspent CSR liability	6.24	6.19
Others**	385.59	450.44
	1,948.20	1,844.39

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

**Others include payable to customer against security invoked, unclaimed cheques, advance and invocation liability towards FLDG arrangement etc.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

20 Other financial liabilities (Contd.)***Disclosures as required by Ind AS 116 'Leases':**

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considered for application of Ind AS 116 have lease period ranging from 12 to 180 months. The discount rate ranges from 5.70% to 9.15%.

(A) Lease liability movement

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening Balance	1,001.16	587.37
Add : Addition during the year	347.55	604.28
Interest on Lease liability	85.57	64.85
Less : Deletion during the year	12.94	16.48
Lease rental payments	300.15	238.86
Balance at the end of the year	1,121.19	1,001.16

(B) Undiscounted cash outflow for all leased assets

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Not later than one year	306.80	262.94
Later than one year but not later than five years	803.89	746.25
Later than five years	280.74	238.50
	1,391.43	1,247.69

(C) Maturity analysis of carrying value of lease liability

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Within 12 months	228.69	193.24
After 12 months	892.50	807.92

(D) Amount recognised in Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Interest on lease liabilities	85.57	64.85
Depreciation charge for the year	267.10	200.60
Expense related to short-term leases	4.92	6.92
(Gain)/loss on pre-mature lease closure	(2.79)	(2.93)
	354.80	269.44

(E) Total cash outflow for leases for the year

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Cash outflow for leases	300.15	238.86
Cash outflow for short-term leases	4.92	6.92
	305.07	245.78

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

21 Provisions

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Provision for employee benefits		
Gratuity	404.62	288.34
Compensated absences*	23.94	31.23
Other long-term service benefits	54.90	75.08
Impairment allowance on undrawn loan commitments [#]	30.82	27.24
	514.28	421.89

*Include amounts payable for encashable leaves not permitted to be carried forward of ₹ 22.29 crore (Previous year ₹ 17.94 crore).

[#]ECL on undrawn loan commitments is the the present value of the difference between :

- contractual cash flow that are due, if the holder of the loan commitments draw down the loan and
- the cash flow that the entity expects to receive if the loan is drawn down.

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

22 Other non-financial liabilities

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Statutory dues	498.37	470.13
Others	33.73	24.65
	532.10	494.78

23 Equity share capital

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Authorised		
750,000,000 (750,000,000) equity shares of ₹ 2 each	150.00	150.00
Issued		
621,428,652 (618,996,320) equity shares of ₹ 2 each	124.29	123.80
Subscribed and paid up		
621,428,652 (618,996,320) equity shares of ₹ 2 each fully called up and paid up	124.29	123.80
Less: 616,288 (988,329) equity shares of ₹ 2 each held in a Trust for employees under ESOP Scheme [See footnote (f) below]	0.12	0.20
	124.17	123.60

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

23 Equity share capital (Contd.)**(A) Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	Nos.	₹ in crore
As at 1 April 2023	605,429,233	121.09
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	1,462,548	0.29
Add: Issued during the year to eligible Qualified Institutional Buyers [#]	12,104,539	2.42
	618,996,320	123.80
Less: Equity shares held in Trust for employees under ESOP scheme	988,329	0.20
As at 31 March 2024	618,007,991	123.60
As at 1 April 2024	618,996,320	123.80
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	882,182	0.18
Add: Issued during the year on conversion of warrants issued to Parent Company, Bajaj Finserv Limited [#]	1,550,000	0.31
Add: Issued during the year shares kept in abeyance of 2013 rights issue	150	0.00
	621,428,652	124.29
Less: Equity shares held in Trust for employees under ESOP scheme	616,288	0.12
As at 31 March 2025	620,812,364	124.17

*The Allotment Committee allotted 882,182 equity shares on 5 February 2025, having face value of ₹ 2 each at applicable grant price to the BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.

[#]On 26 March 2025, Bajaj Finserv Limited, the promoter and holding company, remitted the remaining 75% of the considerations amounting to ₹ 891.64 crore towards conversion of 1,550,000 warrants issued on 2 November 2023. Consequently, the Preferential Issue Allotment Committee has allotted 1,550,000 equity shares amounting to ₹ 1,188.85 crore having face value of ₹ 2 each pursuant to the conversion.

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

The Parent 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 Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent 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 2025		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Limited*	319,366,130	63.87	317,816,130	63.56

*An associate of Bajaj Holdings and Investments Limited

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

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Limited*	319,366,130	51.39%	317,816,130	51.34%

*An associate of Bajaj Holdings and Investments Limited

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

23 Equity share capital (Contd.)

(E) Shareholding pattern of Promoters (Face value ₹ 2 per share)

Particulars	As at 31 March 2025		As at 31 March 2024		% Changes during the year	% Changes during the previous year
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Limited	319,366,130	51.39%	317,816,130	51.34%	0.49%	0.00%
Promoter Group :						
Aryaman Kejriwal	2,000	0.00%	2,000	0.00%	0.00%	Nil
Bachhraj Factories Private Limited	72,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj Allianz General Insurance Company Limited*	48,000	0.01%	-	0.00%	Nil	Nil
Bajaj Allianz Life Insurance Company Limited	247,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Limited	308,500	0.05%	308,500	0.05%	0.00%	0.00%
Baroda Industries Private Limited	117,600	0.02%	117,600	0.02%	0.00%	0.00%
Estate of Rahulkumar Bajaj	-	0.00%	-	0.00%	Nil	(100.00%)
Jamnalaal Sons Private Limited	127,640	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	2,000	0.00%	2,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Neelima Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj (A/c Kumud Nimisha Family Trust)	15,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Limited	18,974,660	3.05%	18,974,660	3.07%	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%
Nirvaan Kejriwal	2,000	0.00%	2,000	0.00%	0.00%	Nil
Rajivnayan Bajaj	1,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj	2,000	0.00%	2,000	0.00%	0.00%	Nil
Sanjali Bajaj	65,104	0.01%	65,104	0.01%	0.00%	3.17%
Sanjivnayan 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	65,104	0.01%	65,104	0.01%	0.00%	3.17%
Suman Jain	7,015	0.00%	7,015	0.00%	0.00%	(1.10%)

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

23 Equity share capital (Contd.)**(F) Shares reserved for issue under employee stock option plan**

Particulars	No. of Stock options/ Equity shares as at	
	31 March 2025	31 March 2024
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	33,044,110	31,503,611
c. Options cancelled and added back to pool for future grants	4,247,656	4,083,318
d. Options granted net of cancellation under the scheme (d = b-c)	28,796,454	27,420,293
e. Balance available under the scheme for future grants (e=a-d)	6,274,706	7,650,867
f. Equity shares allotted to BFL Employee Welfare Trust	23,799,704	22,917,522
g. Stock options exercised	23,183,416	21,929,193
h. Balance stock options available with BFL Employee Welfare Trust (h = f-g)	616,288	988,329

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 ₹ 304.96 crore (as at 31 March 2024 ₹ 307.06 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the Trust.

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

24(A) Other equity

		(₹ in crore)	
		As at 31 March	
Particulars	Nature and purpose	2025	2024
(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.	28,281.33	26,582.00
(ii) Retained earnings	Retained earnings represents the surplus in Profit and Loss Account post appropriations made from retained earnings.	51,782.66	37,080.41
(iii) Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Reserve fund is created as per the terms of section 29C of the National Housing Bank Act, 1987 as a statutory reserve.	556.03	438.36
(iv) Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Group transfers a sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to section 45-IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	13,567.75	10,232.75
(v) General reserve	Amounts set aside from retained profits as a reserve to be utilised for permissible general purpose as per Law.	792.29	790.02

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

24(A) Other equity (Contd.)

		(₹ in crore)	
		As at 31 March	
Particulars	Nature and purpose	2025	2024
(vi) 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) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.	800.90	534.65
(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 Parent Company for employees of the Group.	950.69	711.50
(viii) Remeasurement of defined benefit plans	The Group recognises change on account of remeasurement of the net defined benefit liability (asset), 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).	(165.84)	(147.06)
(ix) Other comprehensive income			
(a) On debt investments	The Group recognises changes in the fair value of debt instruments held with a dual business objective to collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group 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.	115.06	10.60
(b) On equity investments	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	(20.19)	50.18
(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.	(96.53)	(8.87)
(d) On loans*	The Group recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.	-	-
(e) On cost of hedging reserve	It represents the fair value of the forward element of a forward contract and the amortised portion of the forward premium. The balance in this reserve is transferred to the Statement of Profit and Loss upon the settlement of the forward contract.	4.55	-
(x) Money received against share warrants	It represents application money received from subscriber of warrants, against which shares are yet to be allotted.	-	297.21
		96,568.70	76,571.75

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

24(A) Other equity (Contd.)

*The table gives details of movement of fair value changes:

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Balance as at the beginning of the year	-	-
Fair value changes during the year	29.45	(41.40)
Impairment loss allowances transferred to profit or loss	(29.45)	41.40
Balance as at the end of the year	-	-

24(B) Non-controlling interest (NCI)

On 13 September 2024, the Parent Company has diluted 11.25% of its stake in Bajaj Housing Finance Limited (BHFL) thereby decreasing its ownership interest from 100% to 88.75% (hereunder referred to as Dilution) and has opted to measure the non-controlling interest at proportionate share of the value in net assets.

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Balance as at the beginning of the year	-	-
Change during the year		
Change in proportion held by non-controlling interest (on the date of dilution)	2,099.10	-
Adjustment for movement in reserves for non controlling interest (post dilution)	2.52	-
Profit attributable to NCI	141.66	-
Other comprehensive income attributable to NCI	0.74	-
Balance as at the end of the year	2,244.02	-

Computation of gain on change in proportion held by NCI

(₹ in crore)

Particulars	As at 31 March 2025
	2025
Proceeds from IPO	6,560.00
Less: Tax on gain on sale of shares	(362.83)
Less: IPO expenses	(86.88)
Less: NCI as on the date of dilution	(2,099.10)
Other reserves (gain on change in proportion held by NCI)	4,011.19

25 Interest income

(₹ in crore)

Particulars	For the year ended 31 March 2025				For the year ended 31 March 2024			
	On financial assets measured at			Total	On financial assets measured at			Total
	FVOCI	Amortised cost	FVTPL		FVOCI	Amortised cost	FVTPL	
On loans*	5,939.36	52,471.94	-	58,411.30	5,039.51	41,328.21	-	46,367.72
On investments	1,622.19	36.78	137.15	1,796.12	1,213.86	16.10	121.81	1,351.77
On deposits with bank	-	592.71	-	592.71	-	323.95	-	323.95
On others	-	363.42	-	363.42	-	263.16	-	263.16
	7,561.55	53,464.85	137.15	61,163.55	6,253.37	41,931.42	121.81	48,306.60

*Includes ₹ 1.34 crore (Previous year ₹ Nil) on account of interest income from finance lease

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

26 Fees and commission income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Service and administration charges	2,134.84	1,772.75
Fees on value added services and products	882.04	653.24
Foreclosure income	510.57	439.59
Distribution income	2,333.06	2,299.12
Brokerage income	122.33	102.47
	5,982.84	5,267.17

27 Net gain on fair value changes

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on equity/debt instruments at FVTPL	433.47	308.17
Unrealised gain/(loss) on equity/debt instruments at FVTPL	(39.21)	22.06
Realised derivative gain/(loss) on financial instruments at FVTPL	52.70	(24.52)
Unrealised derivative gain/(loss) on financial instruments at FVTPL	(0.44)	3.20
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	92.51	(0.62)
	539.03	308.29

28 Sale of services

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Service fees for management of assigned portfolio of loans	27.13	49.97
	27.13	49.97

29 Income on derecognised (assigned) loans

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Income on derecognised (assigned) loans	552.04	13.33
	552.04	13.33

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

30 Other operating income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Recoveries against written off financial assets	714.90	854.28
Net realisation on sale of written off loans	162.90	0.59
Marketing, branding and allied services	490.97	118.80
Dividend income	10.89	2.06
Grant towards QR deployment operating expenditure*	1.21	7.14
Others	38.05	45.66
	1,418.92	1,028.53

*The Parent Company has received a Government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 1.21 crore in current year (Previous year ₹ 7.14 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under Ind AS 20 'Accounting for Government grants and disclosure of Government assistance'. The Parent Company does not have any unfulfilled conditions relating to the grant recognised.

31 Other income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Interest on income tax refund	25.93	0.01
Miscellaneous income	15.34	8.61
	41.27	8.62

32 Finance costs

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
On financial liabilities measured at amortised cost:		
On debt securities	10,495.09	7,625.56
On borrowings other than debt securities	8,727.26	6,667.25
On deposits	5,147.48	4,040.50
On subordinated liabilities	277.69	302.60
On lease liability	85.57	64.85
On others	12.78	8.97
Other interest expenses*	24.92	14.96
	24,770.79	18,724.69

*Includes net interest on net defined benefit liability of gratuity of ₹ 19.68 crore (Previous year ₹ 12.46 crore)

33 Fees and commission expense

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Commission and incentives	107.44	111.42
Recovery costs	1,973.59	1,624.54
Credit guarantee fees	508.76	189.06
Loan portfolio management service charges	7.87	6.48
	2,597.66	1,931.50

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

34 Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2025			For the year ended 31 March 2024		
	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
On loans	7,863.94	44.62	7,908.56	4,548.12	0.55	4,548.67
On others	57.47	-	57.47	82.03	-	82.03
	7,921.41	44.62	7,966.03	4,630.15	0.55	4,630.70

35 Employee benefits expense

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Employees emoluments	6,704.24	5,697.43
Contribution to provident fund and other funds	236.17	196.37
Gratuity expense	91.62	65.97
Share based payment to employees	399.07	272.22
Staff welfare expenses	77.24	164.02
	7,508.34	6,396.01

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Communication expenses	186.82	175.99
Outsourcing/back office expenses	564.06	554.78
Travelling expenses	504.81	447.26
Information technology expenses	771.97	714.52
Bank charges	221.39	161.33
Net loss on disposal of property, plant and equipment and intangible assets	35.50	12.54
Auditor's fees and expenses	2.85	2.16
Insurance charges	11.69	8.19
Rent, taxes and energy cost	117.88	74.92
Directors' fees, commission and expenses	17.91	13.05
Advertisement, branding and promotion expenses	477.23	349.18
Expenditure towards Corporate Social Responsibility activities	295.64	206.64
Repairs, maintenance and office expenses	283.08	162.72
Employee training, recruitment and management expenses	93.81	92.60
Printing and stationery expenses	11.05	11.47
Legal and professional charges	59.11	51.43
Customer experience cost	120.95	144.24
Miscellaneous expenses ⁺	163.40	131.34
	3,939.15	3,314.36

⁺Includes donation of ₹ 25 crore (Previous year ₹ Nil) made to political parties.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

37 Earnings per share (EPS)

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 Parent 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 Parent 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 Parent Company.

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

Particulars	For the year ended 31 March	
	2025	2024
(A) Net profit attributable to equity shareholders (₹ in crore)	16,637.82	14,451.17
(B) Weighted average number of equity shares for basic earnings per share	618,635,684	610,032,743
Effect of dilution:		
Employee stock options	1,713,616	2,350,306
(C) Weighted average number of equity shares for diluted earnings per share	620,349,299	612,383,049
Earning per share (basic) (₹) (A/B)	268.94	236.89
Earning per share (diluted) (₹) (A/C)	268.20	235.98

38 Segment Information

The Parent company and one of its subsidiary viz BHFL is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with 'Operating Segments'.

Since, one of the subsidiary viz. BFinsec and the associates do not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, they have not been considered for segment reporting.

39(A) Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

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

39(B) Transfer of financial assets that are not derecognised in their entirety

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Securitisations		
Carrying amount of transferred assets (measured at amortised cost)	1,976.92	-
Carrying amount of associated liabilities (measured at amortised cost)	1,753.80	-
Fair value of assets (A)	1,975.04	-
Fair value of associated liabilities (B)	1,742.93	-
Net position at Fair Value (A-B)	232.11	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

40 Revenue from contracts with customers

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Type of services		
Service and administration charges	2,134.84	1,772.75
Fees on value added services and products	882.04	653.24
Foreclosure charges	510.57	439.59
Distribution income	2,333.06	2,299.12
Brokerage Income	122.33	102.47
Marketing, branding and allied services	490.97	118.80
	6,473.81	5,385.97
Geographical markets		
India	6,473.81	5,385.97
Outside India	-	-
	6,473.81	5,385.97
Timing of revenue recognition		
Services transferred at a point in time	6,449.19	5,367.47
Services transferred over time	24.62	18.50
	6,473.81	5,385.97

Contract balances

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Fees, commission and other receivables	466.86	452.40
	466.86	452.40

-Impairment allowance recognised on contract balances is ₹ 1.88 crore (Previous year ₹ 1.97 crore)

-Contract asset as on 31 March 2025 is ₹ Nil (Previous year ₹ Nil)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

41 Employees benefit plans**(I) Defined benefit plans****(A) Gratuity**

The Group has a gratuity plan for its employees which is governed by the Payment of Gratuity Act, 1972. The gratuity benefit payable to the employees of the Group is greater of the provisions of the Payment of Gratuity Act, 1972 and the Group'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.

Gratuity plan is funded by the Group. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

Actuarial liability is computed using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with an actuary and past trend. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments is recognised in the Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

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, although this will be partially offset by an increase in the value of the plan assets.
(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

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Defined benefit obligation as at the beginning of the year	510.51	375.74
Current service cost	91.62	66.19
Past service cost	7.57	-
Interest on defined benefit obligation	35.69	26.95
Remeasurement due to:		
Actuarial loss/(gain) arising from change in financial assumptions	24.49	13.38
Actuarial loss/(gain) arising from change in demographic assumptions	11.70	13.08
Actuarial loss/(gain) arising on account of experience changes	(12.61)	35.28
Benefits paid	(15.21)	(14.02)
Liabilities assumed/(settled)*	(0.97)	(6.09)
Defined benefit obligation as at the end of the year	652.79	510.51

*Towards continuity of service offered to employees on movement

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

41 Employees benefit plans (Contd.)

Movement in plan assets

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Fair value of plan asset as at the beginning of the year	222.17	194.74
Employer contributions	27.50	32.75
Interest on plan assets	15.96	14.70
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(1.27)	0.09
Benefits paid	(15.21)	(14.02)
Assets acquired/(settled)*	(0.97)	(6.09)
Fair value of plan asset as at the end of the year	248.18	222.17

*Towards continuity of service offered to employees on movement

Reconciliation of net liability/asset

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Net defined benefit liability/(asset) as at the beginning of the year	288.34	181.01
Expense charged to the Statement of Profit and Loss	118.91	78.44
Amount recognised in other comprehensive income	24.86	61.64
Employers contributions	(27.50)	(32.75)
Net defined benefit liability/(asset) as at the end of the year	404.61	288.34

Expenses charged to the Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Current service cost	91.62	66.19
Past service cost	7.56	-
Interest cost	19.73	12.25
	118.91	78.44

Remeasurement (gains)/losses in other comprehensive income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening amount recognised in other comprehensive income	194.94	133.29
Changes in financial assumptions	24.49	13.38
Changes in demographic assumptions	11.70	13.08
Experience adjustments	(12.61)	35.28
Actual return on plan assets less interest on plan assets	1.27	(0.09)
Closing amount recognised outside profit or loss in other comprehensive income	219.79	194.94

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

41 Employees benefit plans (Contd.)**Amount recognised in Balance Sheet**

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Present value of funded defined benefit obligation	652.79	510.51
Fair value of plan assets	248.17	222.17
Net funded defined benefit obligation	404.62	288.34
Net defined benefit liability recognised in Balance Sheet	404.62	288.34

Key actuarial assumptions

Particulars	As at 31 March	
	2025	2024
Discount rate	6.85%	7.20%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		
Category of plan assets		
Insurer managed funds	100.00%	100.00%

Sensitivity analysis for significant assumptions

(₹ in crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(34.64)	36.36	(26.26)	27.31
Impact of decrease in 50 bps on defined benefit obligation	38.00	(33.55)	28.45	(25.50)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Maturity Profile		
Expected benefits for year 1	29.55	29.73
Expected benefits for year 2	32.37	29.75
Expected benefits for year 3	36.08	32.20
Expected benefits for year 4	38.27	33.88
Expected benefits for year 5	49.91	36.98
Expected benefits for year 6	45.66	44.18
Expected benefits for year 7	48.88	38.35
Expected benefits for year 8	52.62	40.32
Expected benefits for year 9	56.79	42.99
Expected benefits for year 10 and above	1,239.77	992.31

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

41 Employees benefit plans (Contd.)

Expected contribution to fund in the next year

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Expected contribution to fund in the next year	28.00	28.50

(B) Retirement award

Movement in defined benefit obligations

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Defined benefit obligation as at the beginning of the year	-	-
Past service cost	3.07	-
Defined benefit obligation as at the end of the year	3.07	-

Reconciliation of net liability/asset

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Net defined benefit liability/(asset) as at the beginning of the year	-	-
Expense charged to the Statement of Profit and Loss	3.07	-
Net defined benefit liability/(asset) as at the end of the year	3.07	-

Expenses charged to the Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Past service cost	3.07	-
	3.07	-

Amount recognised in Balance Sheet

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Present value of funded defined benefit obligation	3.07	-
Net defined benefit liability recognised in Balance Sheet	3.07	-

Key actuarial assumptions

Particulars	As at 31 March	
	2025	2024
Discount rate (p.a.)	6.85%	NA

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

41 Employees benefit plans (Contd.)**Sensitivity analysis for significant assumptions**

(₹ in crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(0.21)	0.24	-	-
Impact of decrease in 50 bps on defined benefit obligation	0.23	(0.22)	-	-

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Maturity Profile		
Expected benefits for year 1	0.13	-
Expected benefits for year 2	0.08	-
Expected benefits for year 3	0.18	-
Expected benefits for year 4	0.14	-
Expected benefits for year 5	0.18	-
Expected benefits for year 6	0.24	-
Expected benefits for year 7	0.18	-
Expected benefits for year 8	0.38	-
Expected benefits for year 9	0.56	-
Expected benefits for year 10 and above	55.01	-

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period.

Amount recognised during the year in the Statement of Profit and Loss Account is as below:

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Provident fund and pension scheme of Employees' Provident Fund Organisation	194.96	165.13
National pension scheme	12.18	8.89
Superannuation fund	0.30	0.39

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

41 Employees benefit plans (Contd.)

(III) Other long-term employee benefits

(A) Compensated absences

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Maturity Profile		
Present value of unfunded obligations	-	11.40
Expense recognised in the Statement of Profit and Loss	-	4.02
Discount rate (p.a.)	-	7.20%
Salary escalation rate (p.a.)	-	11.00%

(B) Long-term service benefit liability

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Present value of unfunded obligations	51.83	75.08
Expense recognised in the Statement of Profit and Loss	(14.66)	34.79
Discount rate (p.a.)	6.85%	7.20%

42 Contingent liabilities and commitments

(A) Contingent liabilities not provided for in respect of

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Disputed claims against the Group not acknowledged as debts	147.17	126.89
PF matters under appeal	110.76	-
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Bank guarantees	0.75	2.50
Service tax/Goods and Service Tax matters under appeal		
On interest subsidy [Refer footnote (ii) below]	2,422.92	2,293.64
On interest collected upfront [Refer footnote (iii) below]	874.79	-
On additional reversal of credit on investment activity [Refer footnote (iv) below]	630.32	602.06
On reversal of input tax credit on credit note by the customer	14.13	12.90
On excess claim ITC and difference in GSTR-1 Vs GSTR 3B	33.29	28.56
On others	15.82	14.90
Income tax matters:		
Appeals by the Group	87.56	1.61
Appeals by the Income tax department	-	0.28

- (i) The Group 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 Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

42 Contingent liabilities and commitments (Contd.)

dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 1,077.62 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent 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 Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 262.76 crore. In accordance with legal advice, the Parent 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 Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from the Parent Company in relation to interest collected upfront by the Parent Company from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the of interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date the Parent Company pays the GST liability demanded, which as at 31 March 2025 amounted to ₹ 192.21 crore. In accordance with legal advice, the Parent Company is in the process of filing an appeal before the office of the Commissioner (Appeals), Pune disputing demand. The Parent Company, in line with the opinion obtained from a senior 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 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Parent Company alleging short reversal of Cenvat credit with respect to investment activity undertaken by the Parent Company, in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 253.58 crore. In accordance with legal advice, the Parent Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.
- (v) It is not practicable for the Group 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	
	2025	2024
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
Tangible	30.84	63.74
Intangible	20.39	4.91
(ii) Other commitments		
Towards partially disbursed/un-encashed loans	5,388.57	5,281.28
Towards investment	-	35.00
Towards future corporate social responsibility spend	178.05	218.85
	5,617.85	5,603.78

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

43 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 Group does not have any financing activities and investing activities which affect the capital and asset structure of the Group 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 2024	Cash flows during the year(net)	Foreign exchange fluctuations	Other	As at 31 March 2025
Debt securities	117,999.54	34,998.68	43.29	1,598.22	154,639.73
Borrowings (other than debt securities)	111,617.47	20,190.63	284.01	10.14	132,102.25
Deposits	60,150.92	10,527.22	-	724.99	71,403.13
Subordinated liabilities	3,577.90	(452.50)	-	(21.86)	3,103.54
Lease liability	1,001.16	(214.57)	-	334.60	1,121.19
	294,346.99	65,049.46	327.30	2,646.09	362,369.84

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows during the year (net)	Foreign exchange fluctuations	Other	As at 31 March 2024
Debt securities	86,845.24	30,123.42	13.09	1,017.79	117,999.54
Borrowings (other than debt securities)	81,549.40	30,207.28	(110.49)	(28.72)	111,617.47
Deposits	44,665.56	14,759.93	-	725.43	60,150.92
Subordinated liabilities	3,630.29	(49.99)	-	(2.40)	3,577.90
Lease liability	587.37	(174.00)	-	587.79	1,001.16
	217,277.86	74,866.64	(97.40)	2,299.89	294,346.99

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(A) Parent						
1. Bajaj Finserv Limited	Contribution to equity (319,366,130 shares of ₹ 2 each, previous year 317,816,130 shares of ₹ 2 each)	-	(63.87)	-	(63.56)	
	Proceeds from conversion of preferential warrants	891.64	-	-	-	
	Preferential warrants application money received	-	-	297.21	(297.21)	
	Secured non-convertible debentures issued	-	(200.00)	-	(1,095.00)	
	Secured non-convertible debentures redemption	395.00	(800.00)	225.00	-	
	Interest paid on non-convertible debentures	75.16	-	88.22	-	
	Inter-corporate deposits accepted	-	(550.00)	550.00	(550.00)	
	Interest accrued on Inter-corporate deposits	45.82	(69.78)	31.72	(28.54)	
	Dividend paid	1,144.14	-	953.45	-	
	Asset sales	-	-	0.07	-	
	Business support charges received	0.46	-	1.42	-	
	Business support charges paid	17.76	-	18.72	-	
	Fair value of ESOP charged	4.72	-	3.54	-	
	(B) Fellow subsidiaries					
1. Bajaj Allianz Life Insurance Company Limited	Contribution to equity (247,000 shares of ₹ 2 each)	-	(0.05)	-	(0.05)	
	Secured non-convertible debentures issued	-	(500.00)	-	(50.00)	
	Unsecured non-convertible debentures issued	287.00	(3,707.00)	287.00	(3,420.00)	
	Secured non-convertible debentures redemption	-	-	200.00	-	
	Interest paid on non-convertible debentures	311.34	-	291.50	-	
	Dividend paid	0.89	-	0.74	-	
	Asset sales	0.19	-	-	-	
	Security deposit for leased premises	-	1.82	-	1.82	
	Advance towards insurance	-	5.96	-	4.75	
	Commission income	382.31	29.21	103.38	25.77	
	Business support charges received	0.27	-	-	-	
	Business support charges paid	1.70	(0.27)	-	-	
	Marketing, branding and allied service charges received	146.89	19.58	8.50	3.00	
	Insurance expenses	66.02	0.12	100.99	-	
	Rent and maintenance expenses	2.79	-	2.55	-	

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Allianz General Insurance Company Limited	Contribution to equity (48,000 shares of ₹ 2 each)	-	(0.01)	-	-
	Secured non-convertible debentures issued	-	(743.50)	-	(393.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Secured non-convertible debentures redemption	-	-	100.00	-
	Interest paid on non-convertible debentures	33.90	-	31.84	-
	Dividend paid	0.17	-	-	-
	Asset purchases	-	-	0.06	-
	Asset sales	0.06	0.06	0.13	0.13
	Advance towards insurance	-	9.82	-	6.31
	Commission income	80.68	9.14	61.95	11.17
	Interest subsidy received (transaction value reversal of ₹ 35,162)	-	-	-	-
	Business support charges received	0.90	0.30	-	-
	Business support charges paid	0.44	-	-	-
	Insurance expenses	88.96	1.39	71.44	-
	Investment in equity shares	-	2.69	-	2.69
	Investment in equity shares - conversion from Compulsorily Convertible Term Loan to equity share (including securities premium)	280.47	280.47	-	-
3. Bajaj Finserv Direct Limited	Compulsorily Convertible Term Loan (Deemed equity) at cost	-	-	-	280.47
	Information technology design and development charges paid	74.45	(14.66)	69.94	-
	Asset purchases	7.18	(6.65)	0.82	(0.29)
	Asset sales	1.02	-	0.22	0.06
	Business support charges received	5.09	0.11	10.17	-
	Business support charges paid	80.28	(5.25)	62.82	(4.96)
	Sourcing commission paid	159.04	(17.01)	135.15	(16.60)
	Information technology support and usage charges paid	24.73	(1.51)	41.85	(5.35)
	Annual maintenance charges on loan	6.32	(0.01)	6.74	-
	Guarantee/Service fees paid for FLDG	18.79	-	2.28	-
	Cash deposit received towards First Loss Default Guarantee (FLDG) arrangement	12.04	(21.11)	22.66	(22.40)
	Invocation of deposit towards FLDG	13.33	-	0.26	-
	Interest accrued on cash deposit received towards FLDG	2.03	(0.36)	0.25	(0.21)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
4. Bajaj Finserv Health Limited	Asset purchases	0.07	-	-	-
	Asset sales	-	-	0.25	-
	Commission income	165.76	8.17	93.52	14.96
	Interest subsidy received (transaction value ₹ 1,710)		-	0.13	-
	Business support charges received	0.58	-	0.06	0.07
	Services received	1.70	(0.02)	0.50	-
	Product distribution fee	0.03	-	0.58	-
	Business support charges paid	0.42	(0.46)	-	-
	Settlement of security deposit on leased premises on behalf of lessor	1.79	-	-	-
5. Bajaj Finserv Asset Management Limited	Business support charges received	0.24	-	0.02	-
	Asset sales	-	-	0.04	-
6. Bajaj Finserv Ventures Limited	Asset sales (previous year outstanding ₹ 263)	0.08	-	5.63	-
	Business support charges received	11.00	6.22	18.46	21.78
	Business support charges paid	1.10	(1.18)	-	-
	Manpower support service charges	-	-	59.81	-
	Reimbursements of employee cost	-	-	1.41	-
	Asset purchases	7.17	(0.02)	-	-
(C) Associates					
1. Snapwork Technologies Private Limited (Associate w.e.f. 25 Nov 2022)	Investment in equity shares	-	28.49	-	28.49
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	64.25	-	64.25
	Information technology design and development charges	20.02	-	20.86	(0.83)
	Information technology support and usage charges paid	0.24	-	0.48	-
		-	-	-	-
2. Pennant Technologies Private Limited (Associate w.e.f. 19 Jan 2024)	Investment in equity shares	-	113.75	-	113.75
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	153.72	153.72	153.72
	Information technology design and development charges	35.79	(11.84)	6.80	(12.33)
	Annual maintenance charges paid	5.82	-	0.82	(0.43)
	Inter-corporate deposits accepted	40.00	(40.00)	-	-
	Interest accrued on Inter-corporate deposits	1.80	(1.62)	-	-
	Finance lease given	0.26	0.26	-	-
	Interest income on finance lease		-	-	-
	Advance given towards lease related transactions	0.06	0.06	-	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(D) Key management personnel (KMP) of the entity or its parent						
1. Sanjiv Bajaj (Chairman and Promoter group)	Short-term employee benefits:					
	Sitting fees	0.53	-	0.39	-	
	Commission	5.44	(4.90)	4.30	(4.17)	
	Contribution to equity (467,688 shares of ₹ 2 each)	-	(0.09)	-	(0.09)	
	Dividend paid	1.68	-	1.40	-	
2. Rajeev Jain (Managing Director till 31 Mar 2025)	Short-term employee benefits:					
	Remuneration	21.41	(7.08)	20.02	(2.87)	
	Sitting fees	0.33	-	0.21	-	
	Commission	0.66	(0.59)	0.42	(0.38)	
	Share-based payment	39.06	-	29.18	-	
	Equity shares issued pursuant to stock option scheme	40.52	-	52.22	-	
	Asset purchase	0.50	-	-	-	
	Contribution to equity (169,950 shares of ₹ 2 each)	-	(0.03)	-	(0.03)	
	Dividend paid	0.61	-	0.51	-	
	Cashback given (transaction value ₹ 666, previous year ₹ 20)		-		-	
	Fastag fee received (transaction value ₹ 200)		-	-	-	
3. Rakesh Bhatt (Executive Director from 1 Apr 2023 till 31 Jan 2024)	Short-term employee benefits:					
	Remuneration	-	-	9.20	(0.19)	
	Share-based payment	-	-	6.92	-	
	Equity shares issued pursuant to stock option scheme	-	-	25.27	-	
	Contribution to equity (previous year 130,520 shares of ₹ 2 each)	-	-	-	(0.03)	
	Dividend paid	-	-	0.26	-	
4. Anup Saha (Deputy Managing Director w.e.f. 1 Apr 2024 to 31 Mar 2025)	Short-term employee benefits:					
	Remuneration	13.97	(9.19)	14.36	(7.38)	
	Share-based payment	13.33	-	9.40	-	
	Fixed deposit accepted (transaction value ₹ 25,000)		(0.01)	-	(0.01)	
	Interest accrued on fixed deposit (transaction value ₹ 8,716, previous year ₹ 5,966 outstanding ₹ 12,817, previous year ₹ 6,499)					
	Asset sales	0.02	-	-	-	
	Loan repayment received (previous year transaction value ₹ 14,468)	-	-		-	
	Cashback given (transaction value ₹ 175, previous year ₹ 821)		-		-	
	Fastag fee received (transaction value 200)		-	-	-	
5. Rajiv Bajaj (Director and Promoter group)	Short-term employee benefits:					
	Sitting fees	0.07	-	0.07	-	
	Commission	0.28	(0.25)	0.28	(0.25)	
	Contribution to equity (1,000 shares of ₹ 2 each) (outstanding ₹ 2,000, previous year ₹ 2,000)	-		-		
	Dividend paid (transaction value ₹ 36,000, previous year ₹ 30,000)		-		-	

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
6. D J Balaji Rao (Director till 28 Nov 2023)	Short-term employee benefits:				
	Sitting fees	-	-	0.06	-
	Commission	-	-	0.28	(0.25)
7. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.58	(0.01)	0.42	-
	Commission	1.74	(1.57)	1.32	(1.19)
8. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.24	-	0.17	-
	Commission	0.96	(0.86)	0.68	(0.61)
9. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.32	-	0.23	-
	Commission	1.28	(1.15)	0.92	(0.83)
10. Radhika Haribhakti	Short-term employee benefits:				
	Sitting fees	0.20	(0.01)	0.16	-
	Commission	0.76	(0.68)	0.64	(0.58)
	Contribution to equity shares of BHFL (214 shares of ₹ 10 each) (transaction value ₹ 14,980, outstanding ₹ 2,140)			-	-
11. Dr. Arindam Bhattacharya (Director w.e.f. 1 Apr 2023)	Short-term employee benefits:				
	Sitting fees	0.45	-	0.32	-
	Commission	1.18	(1.06)	0.84	(0.76)
	Contribution to equity (724 shares of ₹ 2 each) (outstanding ₹ 1,448, previous year ₹ 1,448)	-		-	
	Dividend paid (transaction value ₹ 26,064, previous year ₹ 21,720)		-		-
12. Tarun Bajaj (Director w.e.f. 1 Aug 2024)	Short-term employee benefits:				
	Sitting fees	0.05	-	-	-
	Commission	0.20	(0.18)	-	-
13. Ajay Kumar Choudhary (Director w.e.f. 1 Feb 2025)	Short-term employee benefits:				
	Sitting fees	0.01	-	-	-
	Commission	0.04	(0.04)	-	-
14. Sanjiv Sahai (Director of parent w.e.f. 1 Mar 2025)	Contribution to equity shares of BHFL (2,000 shares of ₹ 10 each) (transaction value ₹ 14,980, outstanding ₹ 20,000)			-	-
(E) Close members of key management personnel of the entity or its parent					
1. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	0.05	-	0.13	-
2. Archana Jain (Spouse of Rajeev Jain, Managing Director of the Company till 31 Mar 2025)	Assets Purchases	0.31	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
3. Bharti Bhatt (Mother of Rakesh Bhatt, Executive Director of the Company from 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	-	-	0.24	(1.59)
	Fixed deposit Repaid	-	-	0.04	-
	Interest accrued on fixed deposit	-	-	0.10	-
4. Hina Bhatt (Spouse of Rakesh Bhatt, Executive Director of the Company from 1 Apr 2023 to 31 Jan 2024)	Fixed deposit accepted	-	-	0.60	(3.80)
	Interest accrued on fixed deposit	-	-	0.23	(0.19)
5. Tapati Saha (Spouse of Anup Saha, Deputy Managing Director w.e.f. 1 Apr 2024 till 31 Mar 2025)	Fixed deposit accepted	-	(1.66)	0.45	(1.66)
	Interest accrued on fixed deposit	0.14	(0.31)	0.11	(0.19)
6. Mrinalini Jain (Daughter of Rajeev Jain, Managing Director of the Company till 31 Mar 2025)	Stipend paid (transaction value ₹ 10,000)	-	-	-	-
(F) Entities in which key management personnel or their relatives have significant influence					
1. Bajaj Auto Limited	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-	-	-	-
	Secured non-convertible debentures redemption	-	-	500.00	-
	Interest paid on non-convertible debentures	-	-	25.25	-
	Inter-corporate deposits accepted	480.00	(280.00)	500.00	(500.00)
	Inter-corporate deposits repaid	700.00	-	500.00	-
	Interest accrued on Inter-corporate deposits	29.77	(13.84)	37.82	(17.91)
	Security deposit for leased premises	-	0.24	-	0.24
	Dividend received (transaction value ₹ 12,000, previous year ₹ 21,000)	-	-	-	-
	Business support charges received	-	-	3.07	-
	Interest subsidy received	-	-	1.35	-
	Business support charges paid	31.23	-	38.80	-
	Rent and maintenance expenses	1.76	-	1.65	-
	Finance lease given	8.76	8.29	-	-
	Finance lease repayment received	0.78	-	-	-
	Interest income on finance lease	0.31	-	-	-
	Advance given towards lease related transactions	1.95	1.77	-	-
	Receipt of repayment towards advance given	0.18	-	-	-
	Lease management charges received	0.04	-	-	-
	Advance given (previous year outstanding ₹ 7,615)	-	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Technology Limited (Formerly known as Chetak Technology Limited)	Inter-corporate deposits accepted	243.50	(223.50)	-	-
	Inter-corporate deposits repaid	20.00	-	-	-
	Interest accrued on Inter-corporate deposits	8.06	(6.80)	-	-
	Finance lease given	0.40	0.39	-	-
	Finance lease repayment received	0.03	-	-	-
	Interest income on finance lease	0.01	-	-	-
	Advance given towards lease related transactions	0.10	0.09	-	-
	Receipt of repayment towards advance given	0.01	-	-	-
	Lease management charges received (transaction value ₹ 14,157)		-	-	-
3. Bajaj Auto Credit Limited	Asset sales	2.55	(0.11)	0.94	-
	Finance lease given	0.34	0.34	-	-
	Finance lease repayment received (transaction value ₹ 19,048)		-	-	-
	Interest income on finance lease (transaction value ₹ 31,232)		-	-	-
	Advance given towards lease related transactions	0.08	0.08	-	-
	Receipt of repayment towards advance given (transaction value ₹ 3,869)		-	-	-
	Lease management charges received (transaction value ₹ 1,363)		-	-	-
4. Bajaj Holdings & Investments Limited	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)	-		-	
	Security deposit for leased premises	-	0.70	0.70	0.70
	Dividend received (transaction value ₹ 6,450, previous year ₹ 9,225)		-		-
	Business support charges received	-	-	0.58	-
	Business support charges paid	23.69	-	23.38	-
	Rent and maintenance expenses	1.99	-	1.17	-
5. Hind Musafir Agency Limited	Services received	49.13	(0.04)	46.39	(0.98)
6. Bajaj Electricals Limited	Inter-corporate deposits accepted	198.00	(183.00)	95.00	(60.00)
	Inter-corporate deposits repaid	75.00	-	105.00	-
	Interest accrued on inter-corporate deposits	13.06	(10.22)	4.19	(1.46)
	Interest subsidy received	2.31	0.62	0.54	0.06
	Asset purchases	-	-	0.23	(0.19)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
7. Bajel Projects Limited	Inter-corporate deposits accepted	20.00	-	-	-
	Inter-corporate deposits repaid	20.00	-	-	-
	Interest accrued on Inter-corporate deposits	0.61	-	-	-
	Loan given	203.00	21.00	-	-
	Loan repayment received	182.00	-	-	-
	Interest income on loan given	6.45	0.66	-	-
	Processing fees received	0.22	-	-	-
8. Jamnalal Sons Private Limited	Contribution to equity (127,640 shares of ₹ 2 each)	-	(0.03)	-	(0.03)
	Dividend paid	0.46	-	0.38	-
	Security deposit repayment received	-	-	0.13	-
	Rent and maintenance expenses	-	-	0.10	-
9. Maharashtra Scooters Limited	Contribution to equity (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Secured non-convertible debentures issued	-	(200.00)	-	(225.00)
	Secured non-convertible debentures redemption	75.00	-	100.00	-
	Interest paid on non-convertible debentures	4.90	-	9.94	-
	Dividend paid	68.31	-	56.92	-
	Business support charges received	-	-	0.18	-
10. Bachhraj Factories Private Limited	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.26	-	0.22	-
11. Baroda Industries Private Limited	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.42	-	0.35	-
12. Bajaj Sevashram Private Limited	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	(0.06)
	Dividend paid	1.11	-	0.93	-
13. Bajaj Allianz Staffing Solutions Limited	Manpower supply services (previous year outstanding ₹ 26)	104.16	-	76.54	-
(G) Other persons					
1. Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
2. Niraj Bajaj (Promoter group)	Nil	-	-	-	-
3. Madhur Bajaj (Promoter group)	Nil	-	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

44 (A) 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	FY2024-25		FY2023-24	
			Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
(H) Post employment benefit plans						
1.	Bajaj Auto Limited Provident Fund	Unsecured non-convertible debentures issued	-	(25.00)	-	(36.00)
		Unsecured non-convertible debentures redemption	11.00	-	-	-
		Interest paid on non-convertible debentures	3.32	-	3.35	-
2.	Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.15	-	0.27	-
3.	Bajaj Auto Employees Group Gratuity Fund	Premium paid for life cover of employees	-	-	1.80	-
		Gratuity contribution	16.00	-	12.67	-
4.	Bajaj Auto Senior Staff Group Gratuity Fund	Premium paid for life cover of employees	-	-	0.10	-
		Gratuity contribution	11.50	-	20.00	-

Notes

- Transaction values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Group act as intermediary and passed through Group's books of accounts are not in nature of related party transaction and hence are 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 Ind AS 24 'Related Party Disclosures' have been identified based on representations made by key management personnel and information available with the Group. 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 Group 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, the Group has received broking and other charges amounting to ₹ 0.36 crore from 75 related parties with respect to purchase and sale of securities (Previous year ₹ 2.34 crore from 73 related parties). Net amount receivable towards such transaction amounts to ₹ 0.03 crore from 24 related parties is outstanding as on 31 March 2025. (Previous year payable amounts to ₹ 0.09 crore to 59 related parties)
- 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 Ind AS 24 'Related Party Disclosures'.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

45 Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirement of RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

(i) Capital management**Objective**

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

Planning

The Group'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 Group monitors its capital to risk-weighted assets ratio (CRAR) on a monthly basis through its Assets Liability Management Committee (ALCO).

The Group 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 Parent 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 Parent 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**Bajaj Finance Limited**

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Tier I capital	82,233.86	67,796.11
Tier II capital	3,284.64	3,166.61
Total capital (Tier I + Tier II)	85,518.50	70,962.72
Risk weighted assets	389,981.09	315,149.85
Tier I CRAR	21.09%	21.51%
Tier II CRAR	0.84%	1.01%
CRAR (Tier I + Tier II)	21.93%	22.52%

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

45 Capital (Contd.)

Bajaj Housing Finance Limited

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Tier I capital	19,456.12	11,857.24
Tier II capital	367.09	348.45
Total capital (Tier I+Tier II)	19,823.21	12,205.69
Risk weighted assets	70,188.39	57,351.83
Tier I CRAR	27.72%	20.67%
Tier II CRAR	0.52%	0.61%
CRAR (Tier I + Tier II)	28.24%	21.28%

(iii) Dividend distribution made and proposed

The Group recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Group. A corresponding amount is recognised directly in other equity.

Bajaj Finance Limited

Dividends on equity shares paid and proposed by Bajaj Finance Limited during the year

Particulars	(₹ in crore)	
	FY2024-25	FY2023-24
Dividend paid out of profits of previous year*	2,228.39	1,817.76
Profit for the relevant year	12,644.11	10,289.74
Dividend as a percentage of profit for the relevant year	17.62%	17.67%

*Includes amount paid ₹ 1.93 crore (Previous year ₹ 2.36 crore) to Trust on unexercised options which do not accrete to it.

Final dividend proposed for approval at the annual general meeting (not recognised as a liability as at 31 March 2025)

Particulars	(₹ in crore)	
	FY2024-25	
Final dividend on equity share at ₹ 44 per share (a)	2,734.29	
Profit after tax for the year ended 31 March 2025 (b)	16,661.50	
Final dividend proposed as a percentage of profit after tax (a/b)	16.41%	

Special interim dividend proposed for approval at Board meeting (not recognised as a liability as at 31 March 2025)

Particulars	(₹ in crore)	
	FY2024-25	
Special interim dividend on equity share at ₹ 12 per share (a)	745.71	
Profit after tax for the year ended 31 March 2025 (b)	16,661.50	
Special interim dividend proposed as a percentage of profit after tax (a/b)	4.48%	

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

45 Capital (Contd.)**Bajaj Financial Securities Limited****Interim dividend on equity shares declared and paid during the year ended 31 March 2025**

(₹ in crore)	
Particulars	FY2024-25
Interim dividend on equity share at ₹ 0.01 per share (a)	9.68
Profit after tax for the year ended 31 March 2025 (b)	138.66
Interim dividend declared and paid as a percentage of profit after tax (a/b)	6.98%

Bajaj Housing Finance Limited

Bajaj Housing Finance Limited has not paid nor recommended any dividend for financial year ended 31 March 2025.

46 Events after reporting date

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

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

The Group'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.

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 Group including risk, treasury and finance. The Group has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

47 Fair values (Contd.)

Valuation methodologies adopted

Fair value of financial instruments, 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;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are designated under FVOCI. The fair value of these loans have been determined under level 3.
- 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 Group hedged the principal foreign currency exposure for external commercial borrowings through currency forward contracts. Fair value of forward contracts have been determined under Level 2 wherein forward rate effective for the reporting date for the value date of the derivative contract basis USD INR FWD onshore curve from Bloomberg has been considered. Net effective position of contracted forward rate and the derived forward rate for the reporting rate has been considered as the fair valuation.

Fair value of financial instruments which are subsequently measured at amortised cost have been computed using discounted cash flow models based on contractual cash flows using latest yields. In case 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, carrying value are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2025

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31 March 2025	6,786.68	-	-	6,786.68
Equity instruments designated under FVOCI (Unquoted)	31 March 2025	-	-	424.62	424.62
Equity instruments designated under FVOCI (Quoted)	31 March 2025	316.99	-	-	316.99
Other investments designated under FVOCI	31 March 2025	22,448.25	3,883.64	-	26,331.89
Loans designated under FVOCI	31 March 2025	-	68,579.27	-	68,579.27
Derivative financial instruments (net)	31 March 2025	(4.23)	217.66	-	213.43
		29,547.69	72,680.57	424.62	102,652.88

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

47 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2024

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31 March 2024	4,969.85	-	-	4,969.85
Equity instruments designated under FVOCI (Unquoted)	31 March 2024	-	-	699.22	699.22
Equity instruments designated under FVOCI (Quoted)	31 March 2024	102.89	-	-	102.89
Other investments designated under FVOCI	31 March 2024	22,470.92	1,912.89	-	24,383.81
Loans designated under FVOCI	31 March 2024	-	57,709.92	-	57,709.92
Derivative financial instruments (net)	31 March 2024	0.05	25.67	-	25.72
		27,543.71	59,648.48	699.22	87,891.41

-The Group does not carry any financial asset and liability which it fair values on a non-recurring basis

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	
	2025	2024
Opening balance	699.22	590.09
Acquisitions during the year	35.00	-
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Transfer from level 3	(296.89)	-
Gains/(losses) recognised in other comprehensive income	(12.71)	109.13
Closing balance	424.62	699.22

Sensitivity analysis of significant unobservable inputs on the fair value of equity instruments classified under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2025		Sensitivity to fair value as at 31 March 2024	
	1% increase	1% decrease	1% increase	1% decrease
Discounting rate	(28.51)	33.06	(49.87)	57.87
Cash flows	15.02	(13.10)	35.85	(31.03)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

47 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2025

(₹ 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	339,264.87	-	-	339,609.13	339,609.13
Investments	193.85	-	-	194.64	194.64
	339,458.72	-	-	339,803.77	339,803.77
Financial liabilities					
Debt securities	154,639.73	-	156,579.65	-	156,579.65
Borrowings (other than debt securities)	132,102.25	-	-	132,091.38	132,091.38
Deposits	71,403.13	-	-	71,718.46	71,718.46
Subordinated liabilities	3,103.54	-	3,140.92	-	3,140.92
	361,248.65	-	159,720.57	203,809.84	363,530.41

Fair value of financial instruments measured at amortised cost as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Loans	268,583.40	-	-	267,733.19	267,733.19
Investments	355.46	-	-	357.55	357.55
	268,938.86	-	-	268,090.74	268,090.74
Financial liabilities					
Debt securities	117,999.54	-	118,395.03	-	118,395.03
Borrowings (other than debt securities)	111,617.47	-	-	111,617.47	111,617.47
Deposits	60,150.92	-	-	60,199.94	60,199.94
Subordinated liabilities	3,577.90	-	3,621.87	-	3,621.87
	293,345.83	-	122,016.90	171,817.41	293,834.31

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management

A summary of the major risks arising from financial instrument which are faced by the Group, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity 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 for 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 servicing the repayment obligation, the Group'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 current and 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 Group. - managed by the Group'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 and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
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 Group encompasses exposures to equity investments, changes in exchange rates, 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 rate assets and liabilities. The Group has a market risk management module which is integrated with its treasury system; and - managed by the Group's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group.	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 Group. 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. ICAAP Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. - 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.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)**(a) Liquidity risk**

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

The Group maintains a judicious mix of borrowings from banks, money markets, external commercial borrowings (ECBs), public and other deposits and focuses on diversification of its sources of borrowings with an emphasis on longer tenor borrowings. The Parent Company for the first time raised funds by way of securitisation of loan receivables in FY2025. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided the Group maintain a healthy asset liability position and interest rate during the financial year 2024-25 (FY2025). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 361,248.65 crore as of 31 March 2025 (previous year ₹ 293,345.83 crore). The weighted average cost of borrowing was 7.97% for FY2025 (previous year 7.73%).

The Group continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Group endeavours to maintain liquidity buffer of 5% to 8% of its overall net borrowings under various market scenario.

RBI vide circular no. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 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 Group has a Board approved 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 Parent Company and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandates 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 2025, the Parent Company and BHFL maintained a LCR of 124.93% and 192.81% respectively. Both are well above the RBI's stipulated norms.

The Group has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the CFP is to provide a framework of action plan for contingency funding when the Group experiences a reduction to its liquidity position, either from causes unique to the Group 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.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

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

As at 31 March 2025

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	7,075.92	19,109.95	33,336.49	80,061.44	63,018.72	202,602.52
Borrowings (other than debt securities)	21,089.55	7,555.54	25,121.33	93,811.85	2,688.39	150,266.66
Deposits	2,657.21	5,281.91	24,551.85	48,171.54	-	80,662.51
Subordinated liabilities	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	1,497.59	265.69	114.77	-	-	1,878.05
Other payables	692.68	-	238.22	-	-	930.90
Other financial liabilities	517.79	104.19	511.82	803.81	280.82	2,218.43
	33,530.74	32,366.18	84,369.09	225,784.96	65,987.93	442,038.90

As at 31 March 2024

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities*	7,866.02	22,048.13	18,257.02	59,375.67	43,007.48	150,554.32
Borrowings (other than debt securities)*	18,347.19	5,098.24	21,096.02	82,407.29	3,046.90	129,995.64
Deposits	2,925.35	5,467.84	21,895.48	37,797.72	-	68,086.39
Subordinated liabilities	-	48.90	703.15	3,479.89	-	4,231.94
Trade payables	1,407.21	532.42	124.41	-	-	2,064.04
Other payables	624.73	-	139.85	-	-	764.58
Other financial liabilities	499.60	124.42	482.13	746.17	238.58	2,090.90
	31,670.10	33,319.95	62,698.06	183,806.74	46,292.96	357,787.81

*Net of adjustment on account of rectification related to one subsidiary

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

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

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	3,642.46	-	3,642.46	4,034.51	-	4,034.51
Bank balances other than cash and cash equivalents	9,805.65	95.43	9,901.08	4,262.41	2,327.09	6,589.50
Derivative financial instruments	209.34	41.22	250.56	16.18	11.66	27.84
Trade receivables	1,826.78	86.33	1,913.11	1,623.92	109.57	1,733.49
Loans	126,435.77	281,408.37	407,844.14	101,324.01	224,969.31	326,293.32
Investments	27,237.35	7,203.49	34,440.84	24,419.99	6,460.66	30,880.65
Other financial assets	2,174.01	270.98	2,444.99	1,222.81	209.07	1,431.88
Non-financial assets						
Current tax assets (net)	-	480.77	480.77	-	290.92	290.92
Deferred tax assets (net)	-	1,141.20	1,141.20	-	1,017.43	1,017.43
Property, plant and equipment	-	2,688.89	2,688.89	-	2,358.32	2,358.32
Capital work-in-progress	-	26.74	26.74	-	25.35	25.35
Intangible assets under development	-	14.55	14.55	-	18.11	18.11
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	1,088.01	1,088.01	-	888.31	888.31
Other non-financial assets	205.72	40.50	246.22	109.77	38.95	148.72
Non-current assets held for sale	-	-	-	-	-	-
	171,537.08	294,589.75	466,126.83	137,013.60	238,728.02	375,741.62
LIABILITIES						
Financial liabilities						
Derivative financial instruments	37.13	-	37.13	2.12	-	2.12
Trade payables	1,878.04	-	1,878.04	2,064.04	-	2,064.04
Other payables	930.91	-	930.91	764.58	-	764.58
Debt securities	53,916.54	100,723.19	154,639.73	44,015.15	73,984.39	117,999.54
Borrowings (other than debt securities)	46,900.60	85,201.65	132,102.25	38,282.90	73,334.57	111,617.47
Deposits	29,606.41	41,796.72	71,403.13	27,831.73	32,319.19	60,150.92
Subordinate liabilities	448.44	2,655.10	3,103.54	635.10	2,942.80	3,577.90
Other financial liabilities						
Lease liability	228.69	892.50	1,121.19	193.24	807.92	1,001.16
Others	827.01	-	827.01	843.23	-	843.23
Non-financial liabilities						
Current tax liabilities (net)	100.63	-	100.63	108.64	-	108.64
Provisions	30.53	483.75	514.28	28.47	393.42	421.89
Other non-financial liabilities	501.40	30.70	532.10	471.09	23.69	494.78
	135,406.33	231,783.61	367,189.94	115,240.29	183,805.98	299,046.27

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (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 and credit spreads on investment and borrowings.

(i) Interest rate risk

On assets and liabilities

For floating rate asset and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, the Group's profit before tax is affected through the impact on floating rate financial asset and liabilities, as follows:

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	167,427.56	1,674.28	(1,674.28)
Debt Securities	1,500.00	(15.00)	15.00
Borrowings (other than debt securities)	92,090.97	(920.91)	920.91

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss	
		1% interest increase	1% interest decrease
Loans	123,498.99	1,234.99	(1,234.99)
Debt Securities	-	-	-
Borrowings (other than debt securities)	85,148.80	(851.49)	851.49

(ii) Price risk

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

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	573.87	573.87	57.39	(57.39)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,448.25	22,448.25	224.48	(224.48)
Investment at FVTPL - Other than equity shares	6,529.80	6,529.80	65.30	(65.30)

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	269.41	269.41	26.94	(26.94)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,470.92	22,470.92	224.71	(224.71)
Investment at FVTPL - Other than equity shares	4,803.33	4,803.33	48.03	(48.03)

(iii) Foreign currency risk

The Group is exposed to foreign currency fluctuation risk largely for its external commercial borrowing (ECB). The Group'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 and Coupon). As a matter of prudence, the Group hedges the entire ECB exposure for the full tenure as per its Board approved 'Interest rate and Currency risk hedging policy'.

The Group evaluates its fully hedged costs for raising ECB. The Group manages its currency risks by entering into over the counter (OTC) derivatives contracts such as cross currency swaps and forwards as hedge positions and the same are being governed through the Board approved 'Interest rate and Currency risk hedging policy'. These derivative contracts are entered with counterparties (banks) with strong credit rating to ensure that the effect of credit risk does not dominate the changes that result from the established economic relationship.

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

(₹ in crore)

As at 31 March

Particulars	As at 31 March	
	2025	2024
Hedged		
ECB (USD 1,800 million, previous year USD 725 million)	(15,091.03)	(6,015.79)
Derivative financial instrument*	(15,091.03)	6,015.79
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

Foreign currency sensitivity impact on profit after tax and OCI

The sensitivity of the changes in the exchange rates arises mainly from foreign currency denominated financial instrument and from derivative financial instruments i.e forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. The Parent Company has considered a sensitivity of +/-5% for increase and decrease against the relevant foreign currencies to calculate the impact on OCI.

(₹ in crore)

Particulars	Impact on profit after tax		Impact on OCI	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD sensitivity				
INR/USD - increase by 5%	-	-	789.13	311.96
INR/USD - decrease by 5%	-	-	(789.13)	(311.96)

Interest rate sensitivity impact on profit after tax and OCI

The sensitivity of the changes in the interest rates from derivative financial instruments i.e forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. The Parent Company has considered a sensitivity of +/-1% for related interest rate changes to calculate the impact of OCI.

(₹ in crore)

Particulars	Impact on profit after tax		Impact on OCI	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Interest rate - increase by 1%	-	-	282.01	142.15
Interest rate - decrease by 1%	-	-	(290.77)	(147.30)

Hedging policy

The Group'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 Group 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. The hedge ratio established remains at 1:1 for the hedge relationship as the underlying risks and notional amount of the hedging instrument are identical to that of the hedged items.

Impact of hedge on the Balance Sheet

As at 31 March 2025

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	14,447.29	201.97	25.53
Coupon only swaps	643.74	-	2.95
Forward contract	643.74	3.06	-
Interest rate swap	2,350.00	41.22	-
Future and options	1,121.14	7.37	11.60

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

As at 31 March 2024

Particulars	Notional amount	Carrying amount of derivative asset	(₹ in crore)
			Carrying amount of derivative liability
CCIRS	6,015.79	15.69	0.85
Interest rate swap	1,850.00	11.66	0.83
Future and options	315.40	0.49	0.44

(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 Group. The Group has a diversified lending model spread across secured and unsecured products. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

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

- Stage 1: which are not credit impaired as on date and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;
- Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and
- Stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 3.3 (i)

Computation of impairment on financial instruments

The Group calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial Instruments'. 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 3.3 (i).

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

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

Lending verticals	Nature of businesses	PD			EAD	LGD
		Stage 1	Stage 2	Stage 3		
Urban sales finance	Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates.	emperical performance across different DPD (Days Past Due) ranges	100%	Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.	LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.
Two and three wheeler finance	Two and three wheeler financing					
Urban B2C	Personal loans to salaried and self employed individuals					
SME lending (excluding car loan)	Unsecured and secured loans to SME's, self employed customers and professionals					
Rural sales finance	Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends					Based on Management judgement
Rural B2C (excluding gold loan)	Personal loans to salaried, self employed customers, professionals					
Gold loans	Loans with underlying security as gold					
Car loans	New and used car financing					Proxy from Two wheeler finance portfolio
Mortgages	Home loans, loans against property, developer finance and lease rental discounting	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates and management evaluation/ judgement for wholesale loans.			100%	Based on Management judgement
Loans against securities	Loans against shares, mutual funds, deposits and insurance policies	Based on Management judgement				Based on Management judgement
Commercial lending	Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.	Basis external credit rating				

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (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 2025

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	244,817.82	2,344.08	1,944.84	160,640.02	3,059.84	2,019.90
Allowance for ECL	865.45	495.06	950.80	2,237.98	1,253.61	1,179.46
ECL coverage ratio	0.35%	21.12%	48.89%	1.39%	40.97%	58.39%

As at 31 March 2024

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	198,420.15	1,904.89	1,379.26	126,087.28	2,106.05	1,436.72
Allowance for ECL	657.10	335.61	755.49	1,588.38	854.22	850.23
ECL coverage ratio	0.33%	17.62%	54.78%	1.26%	40.56%	59.18%

Collateral valuation

The Group 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 Group's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Group's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Group'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
Car loans	Hypothecation of underlying cars
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 equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral.
Loans 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 Group periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Group 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 Group recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Group does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

Guarantee cover taken on loans

The Parent Company takes guarantee cover for certain qualifying portfolios under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC). Further, the Parent Company had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to its qualifying customers.

Analysis of concentration risk

The Group focuses on granulation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

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, EAD 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 Group has adopted the use of three scenarios, representative of its view of forecasted 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 Group 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 Group uses multiple economic factors and test their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Group evaluated various macro factors such as 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. etc.

Based on past correlation results real GDP and unemployment rate reflected acceptable correlation with past observed default rates and basis their linkage with Company's business 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. GDP has a direct relation with the overall income levels and thus the growth of the economy from both income and output side. 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 Parent Company has considered data published by a leading business information (BI) company engaged in monitoring of Indian economic indicators.

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

48 Financial risk management (Contd.)

In FY2025, unemployment rate over the quarters has been oscillating around 7-9%.

- While formulating the central scenario for the year end, the Parent Company has considered current unemployment rate as a quarterly average of 8.4% which may move towards an average of 7.6% over the next few years.
- For the downside scenario, the Parent Company believes that the downside risks might have passed, but the downside peak unemployment rate might reach 11.7%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.6% within next two years.
- For the upside scenario, the Parent 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 2026 but may come back to a historical average of 7.6%.
- For real GDP growth, the Group has chosen to follow the RBI predictions. The real GDP growth for Q3 2025 was at 6.2% y-o-y.
- The Parent Company has considered the RBI projected real GDP growth forecast of 6.5% y-o-y in the central scenario. The real GDP rate is expected to moderate to 6.1% over a 3-year period.
- For the downside scenario, the Group considers that the risk may continue due to various uncertainties such as geopolitical and tariff tension and therefore assumes the GDP growth to reduce to 3.3% in Q1FY2027, which is aligned to the lowest pre COVID GDP growth levels. Real GDP growth is subsequently expected to normalise to around 6.1% within next two years.
- For the upside scenario, an optimistic GDP estimate of 10.3% has been considered for Q1FY2027, which is aligned to the highest pre COVID GDP growth levels, before averaging back to 6.1% over two years.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Gross carrying amount of loans	414,826.50	331,334.35
Reported ECL on loans	6,982.36	5,041.03
Reported ECL coverage	1.68%	1.52%
Base ECL without macro overlay	6,915.36	4,741.03
Add : Management overlay	-	144.00
ECL before adjustment for macro economic factors	6,915.36	4,885.03
ECL amounts for alternate scenario		
Central Scenario (80%)	6,993.11	5,043.66
Downside Scenario (10%)	7,550.98	5,543.48
Upside scenario (10%)	6,327.88	4,517.55
Reported ECL	6,982.36	5,041.03
Management and macro economic overlay	67.00	300.00
-Management overlay	-	144.00
-Overlay for macro economic factors	67.00	156.00
ECL coverage ratios by scenario		
Central scenario (80%)	1.69%	1.52%
Downside scenario (10%)	1.82%	1.67%
Upside scenario (10%)	1.53%	1.36%

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

49 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Limited

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 Parent 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 Parent Company vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of equity shares of the Parent 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 shares 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 Parent 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 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 Parent Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Parent Company has approved the following grants to select senior level executives of the Parent Company in accordance with the Stock Option Scheme.

Details of grants given upto the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under :

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	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	-	-
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	-	-	1,565,500	369,500	-	-
24-May-16	765.37	1,430,000	24,250	-	1,180,375	225,375	-	24,250
17-May-17	1,347.75	1,120,750	47,435	-	929,328	141,363	2,624	47,435
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
1-Feb-18	1,677.85	120,000	1,000	-	70,036	48,964	-	1,000
17-May-18	1,919.95	1,273,416	140,590	-	925,701	206,214	911	140,590
16-May-19	3,002.75	1,123,900	399,218	-	638,589	86,093	-	399,218
19-May-20	1,938.60	2,054,250	699,865	-	1,173,040	181,345	-	699,865
27-Apr-21	4,736.55	936,643	360,207	205,842	301,773	68,821	-	566,049
26-Apr-22	7,005.50	1,003,756	382,453	473,729	65,406	82,168	-	856,182
25-Jul-22	6,258.25	19,349	-	3,772	15,577	-	-	3,772
26-Apr-23	6,075.25	1,563,397	286,524	1,086,111	99,561	91,201	-	1,372,635
25-Apr-24	7,329.15	1,536,609	-	1,494,617	-	41,992	-	1,494,617
12-Sep-24	7,345.55	3,890	-	3,890	-	-	-	3,890
		33,044,110	2,341,542	3,267,961	23,183,416	4,247,656	3,535	5,609,503

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

49 Employee stock option plan (Contd.)

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	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	-	-
1-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	25,750	-	1,539,750	369,500	-	25,750
24-May-16	765.37	1,430,000	59,375	-	1,145,250	225,375	-	59,375
17-May-17	1,347.75	1,120,750	135,999	-	842,077	141,363	1,311	135,999
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
1-Feb-18	1,677.85	120,000	8,888	-	62,148	48,964	-	8,888
17-May-18	1,919.95	1,273,416	296,430	-	770,772	206,214	-	296,430
16-May-19	3,002.75	1,123,900	512,160	-	525,647	86,093	-	512,160
19-May-20	1,938.60	2,054,250	762,611	441,791	668,503	181,345	-	1,204,402
27-Apr-21	4,736.55	936,643	306,997	426,758	141,013	61,875	-	733,755
26-Apr-22	7,005.50	1,003,756	212,901	737,028	14,912	38,915	-	949,929
25-Jul-22	6,258.25	19,349	13,691	5,658	-	-	-	19,349
26-Apr-23	6,075.25	1,563,397	-	1,543,752	591	19,054	-	1,543,752
		31,503,611	2,334,802	3,154,987	21,929,193	4,083,318	1,311	5,489,789

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

Particulars	FY2024-25		FY2023-24
Grant date	25-Apr-24	12-Sep-24	26-Apr-23
No. of options granted	1,536,609	3,890	1,563,397
Weighted average fair value (₹)	3,120.47	3,025.59	2,756.16

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

As on 31 March 2025

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	5,489,789	448.16-7,005.50	4,431.32	4.80
Granted during the year	1,540,499	7,329.15-7,345.55	7,329.19	
Cancelled during the year	164,338	4,736.55-7,329.15	6,583.90	
Lapsed during the year	2,224	1,347.75-1,919.95	1,582.14	
Exercised during the year	1,254,223	448.16-7,005.50	2,868.61	
Outstanding at the end of the year	5,609,503	765.37-7,345.55	5,514.62	4.82
Exercisable at the end of the year	2,341,542	765.37-7,005.50	3,858.88	2.91

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

49 Employee stock option plan (Contd.)

As on 31 March 2024

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	5,481,470	219.66-7,005.50	3,259.66	4.42
Granted during the year	1,563,397	6,075.25	6,075.25	
Cancelled during the year	71,147	1,938.60-7,005.50	5,133.47	
Lapsed during the year	1,311	1,347.75	1,347.75	
Exercised during the year	1,482,620	219.66-7,005.50	1,802.04	
Outstanding at the end of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Exercisable at the end of the year	2,334,802	448.16-7,005.50	2,943.24	2.98

The weighted average market price of equity shares for options exercised during the year is ₹ 7,542.71 (Previous year ₹ 6,920.42).

Method used for accounting for share based payment plan

The Parent 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
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1,563,397	4 years on SLM basis
25-Apr-24	7.10%	5 years	36.87%	0.41%	7,329.15	1,536,609	4 years on SLM basis
12-Sep-24	6.68%	5 years	36.29%	0.49%	7,345.55	3,890	4 years on SLM basis

*Adjusted for sub-division of shares and issue of bonus shares thereon

For the year ended 31 March 2025, the Group has accounted expense of ₹ 377.00 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 268.23 crore). The balance in employee stock option outstanding account is ₹ 934.86 crore as of 31 March 2025 (Previous year ₹ 711.50 crore).

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

49 Employee stock option plan (Contd.)**(B) Employee stock option plan of Bajaj Finserv Limited**

The Nomination and Remuneration Committee of the Holding Company has approved grant of 230,390 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 Group in accordance with the Stock Option Scheme of the Holding Company. Of the options granted, no option has vested, cancelled or is 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 2025, the Group has accounted expense of ₹ 5.09 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 3.99 crore)

(C) Employee stock option plan of Bajaj Housing Finance Limited

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

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

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
24-Apr-24	54.50	16,751,673	-	16,751,673	-	682,978	-	16,068,695
4-Jan-25	126.38	486,445	-	486,445	-	-	-	486,445
		17,238,118	-	17,238,118	-	682,978	-	16,555,140

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

Particulars	FY2024-25	
Grant date	24-Apr-24	4-Jan-25
No. of options granted	16,751,673	486,445
Weighted average fair value (₹)	24.54	51.43

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

49 Employee stock option plan (Contd.)

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

As on 31 March 2025

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	-	-	-	-
Granted during the year	17,238,118	54.50 - 126.38	56.53	
Cancelled during the year	682,978	54.50	54.50	
Lapsed during the year	-	-	-	
Exercised during the year	-	-	-	
Outstanding at the end of the year	16,555,140	54.50 - 126.38	56.61	6.58
Exercisable at the end of the year	-	-	-	-

Method used for accounting for share based payment plan

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

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)	Options granted	Vesting period
28-Apr-24	7.05%	3.5 - 6.5 years	38.46%	Nil	54.50	16,751,673	1- 4 years on SLM basis
4-Jan-25	6.63%	3.5 - 5.5 years	36.57%	Nil	126.08	486,445	1- 3 years on SLM basis

Determination of expected volatility

Expected volatility has been calculated based on the daily closing market price of the comparable entities.

For the period ended 31 March 2025, the Company has accounted expense of ₹ 16.97 crore as employee benefit expenses on the aforesaid employee stock option plan (Previous year ₹ Nil). The balance in employee stock option outstanding account is ₹ 16.97 crore as of 31 March 2025 (Previous year ₹ Nil).

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

50 Ultimate beneficiary

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 Group 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 Group ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

No funds have been received by the Parent Company and its subsidiaries viz BFinsec and BHFL from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Parent Company and BFinsec 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.

In case of BHFL**Details of transaction in FY 2023-24**

(₹ in crore)					
Name of funding party	Date of fund received	Amount of fund received	Name of other intermediaries or ultimate beneficiaries	Date of fund advanced or loaned	Amount of fund advanced or loaned
Chayadeep Properties Private Limited	22-Sep-22	8.33	Karuna Business Solutions LLP	31-Aug-23	5.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 CIN: U45203KA2003PTC094179			Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036LLP IN: AAD-0057	22-Sep-23	3.00
	23-Sep-23	10.83		27-Sep-23	1.76

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

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

51 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	
				2025	2024
1	Abhilash Global Corporation Private Limited	Loan receivable	No	0.02	0.05
2	Adwave Publicity & Media Private Limited	Loan receivable	No	-	-
3	Alpic Formulations Private Limited	Loan receivable	No	0.02	0.04
4	Asquare Events And Production Private Limited	Loan receivable	No	0.13	0.13
5	Astor Metal Industries Private Limited	Loan receivable	No	-	0.18
6	Attract Force Management Service Private Limited	Loan receivable	No	-	0.03
7	Balsam Publishing House Private Limited	Loan receivable	No	-	-
8	Bhandari Hotels Private Limited	Loan receivable	No	0.08	0.08
9	Colimetrics Software Private Limited	Loan receivable	No	-	-
10	Criper Garments (India) Private Limited	Loan receivable	No	-	-
11	CSE Computer Solutions East Private Limited	Loan receivable	No	0.38	0.44
12	Daffodils Daily (OPC) Private Limited	Loan receivable	No	0.10	0.11
13	First Office Solutions India Private Limited	Loan receivable	No	0.01	0.04
14	First Paper Idea India Private Limited	Loan receivable	No	0.11	0.11
15	Grabstance Technologies Private Limited	Loan receivable	No	-	0.01
16	Green Way Super Market Private Limited	Loan receivable	No	0.11	0.11
17	Hunting Hawks Security & Facility Services Private Limited	Loan receivable	No	-	-
18	Hyper Collective Creative Technologies Private Limited	Loan receivable	No	-	-
19	Indira Smart Systems Private Limited	Loan receivable	No	0.07	0.08
20	Indochin Electrotech Private Limited	Loan receivable	No	0.13	0.13
21	Invision Entertainment Private Limited	Loan receivable	No	-	0.13
22	Janhavi Exim Private Limited	Loan receivable	No	-	-
23	Jey Pee Nets Private Limited	Loan receivable	No	-	-
24	Kool Gourmet Private Limited	Loan receivable	No	0.10	0.10
25	Koolair Systems Private Limited	Loan receivable	No	-	-
26	Lift And Tech Engineering Contractors Private Limited	Loan receivable	No	-	-
27	M N S Logistics Private Limited	Loan receivable	No	-	-
28	M.Y. Transport Company Private Limited	Loan receivable	No	3.05	-
29	Mazda Agencies Private Limited	Loan receivable	No	-	-

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

51 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	
				2025	2024
30	Mechwing Engineering & Services Private Limited	Loan receivable	No	-	0.08
31	Multitech System Industrial Automation Private Limited	Loan receivable	No	-	-
32	Nur Automation Private Limited	Loan receivable	No	-	0.06
33	PMK Vastra Overseas Private Limited	Loan receivable	No	-	-
34	Priyanka Management Solutions (India) Private Limited	Loan receivable	No	-	-
35	R. R. Movers & Logistics Private Limited	Loan receivable	No	-	0.13
36	Relied Staffing Solution Private Limited	Loan receivable	No	-	0.12
37	S K S Bio - Analytical Systems Private Limited	Loan receivable	No	-	-
38	Satidham Industries Private Limited (₹ 40,000 at face value of ₹ 10/-, Previous year Nil)	Equity Shares	No	-	-
39	Shrine Infrastructure Private Limited	Loan receivable	No	0.61	0.52
40	Singh Hindustan Marine Private Limited	Loan receivable	No	-	-
41	Solaris People Solutions Private Limited	Loan receivable	No	-	-
42	Spice Flora (India) Private Limited	Loan receivable	No	-	-
43	Sri Beera Barji Trading Company Private Limited	Loan receivable	No	-	0.05
44	Sun-Moon Couriers Private Limited	Loan receivable	No	-	-
45	Tejas India Buildtech Private Limited	Loan receivable	No	0.14	0.14
46	Thanvee Sree Foods Private Limited	Loan receivable	No	-	-
47	Times Partner Services Private Limited	Loan receivable	No	-	-
48	Tulsians Kharidiye Private Limited	Loan receivable	No	-	-
49	Underground Pipeline And Non-Destructive Testing Services Private Limited	Loan receivable	No	-	-
50	Valueaid Hr Services (OPC) Private Limited	Loan receivable	No	-	-
51	Keen Financial Services Private Limited	Payables	No	-	-
52	Keynote Management Accountancy And Consulting Private Limited	Payables	No	-	-
53	Daytoday Technologies (OPC) Private Limited	Payables	No	-	-
54	Akshda Well Wisher Advisory (OPC) Private Limited	Payables	No	-	-
55	Aleem Autos Private Limited	Payables	No	-	-
56	Visakam Motors Private Limited	Payables	No	-	-

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

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

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

The Group has availed of the facilities (secured borrowings) from the lenders inter alia on the condition that, the Group 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 2025 and previous year ended 31 March 2024, the quarterly statements or returns of current assets filed by the Group with banks are in agreement with books of accounts.

53 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 Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

Suhas Deshpande
Partner
Membership number: 031787

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Anup Saha
Managing Director
DIN - 07640220

Sanjiv Bajaj
Chairman
DIN - 00014615

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

Pune: 29 April 2025

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures
Form AOC- 1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

		(₹ in crore)
1	Name of the subsidiary	Bajaj Housing Finance Limited
2	The date since when subsidiary was acquired	01.11.2014
3	Reporting period for the subsidiary concerned, if different from the Holding company's reporting period	NA
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA
5	Share capital	8,328.15
6	Other equity	11,618.65
7	Total assets	102,808.75
8	Total liabilities	82,861.95
9	Investments	2,533.32
10	Turnover	9,575.96
11	Profit before taxation	2,770.23
12	Provision for taxation (net)	607.33
13	Profit after taxation	2,162.90
14	Proposed dividend	NA
15	% of shareholding	88.75%

Part B: Associates and Joint Ventures –

		(₹ in crore)
1	Name of the associates	Snapwork Technologies Private Limited
2	Date on which the associate was associated	25.11.2022
3	Latest audited Balance Sheet date	31.03.2025
4	Shares of Associate held by the Company on the year end	
	- Number	65,098*
	- Amount of investment in associate	92.74
	- Extend of holding %	41.50%*
5	Description of how there is significant influence	By way of shareholding
6	Reason why the associate is not consolidated	N.A
7	Net worth attributable to shareholding as per latest audited Balance Sheet	52.65
8	Profit/Loss for the year	
	- Considered	5.62
	- Not Considered	-

*On fully diluted basis

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Anup Saha
Managing Director
DIN - 07640220

Anami N Roy
Chairman -Audit
Committee
DIN - 01361110

Sandeep Jain
Chief Financial Officer

R Vijay
Company Secretary

Pune: 29 April 2025

Notes



Rooted in Purpose. Growing with Time.

For over a century, our purpose has been our guide – nation building, empowering communities, building trust and creating financial resilience.

As the world transforms, so do we – blending legacy with innovation, experience with agility.

With deep roots and a clear vision, we're not just keeping pace with change – we're shaping it. Because while time moves forward, purpose keeps us grounded and growing.

Bajaj Finance Limited

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<https://www.aboutbajajfinserv.com/finance-about-us>