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	How our audit addressed the 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.	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	How our audit addressed the 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.	• 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	How our audit addressed the 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.	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
Allowances for expected credit loss (ECL): 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	*Our audit approach:* 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	How our audit addressed the 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.	• 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
IT systems and Controls:	
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

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

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)

Particulars	Note No.	As at 31 March 2025	As at 31 March 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

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

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

Consolidated Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 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

Sharad Vasant
Partner
Membership number: 101119

For Kirtane & Pandit LLP
Chartered Accountants
Firm's registration number:
105215W/W100057

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

BAJAJ FINSERV

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 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: 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	Other comprehensive income on: Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve	Money received against share warrants	Total other equity	Non-controlling interest	Total
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)	(1.14)	-	-	-	-	-	-	(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

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
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DIN - 01550158

Sanjiv Bajaj
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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

Consolidated Statement of Cash Flows

(₹ in crore)

Particulars	For the year ended 31 March 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)

Particulars	For the year ended 31 March 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)

Particulars	As at 31 March 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

For Price Waterhouse LLP
Chartered Accountants
Firm's registration number:
301112E/E300264

Sharad Vasant
Partner
Membership number: 101119

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Membership number: 031787

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

BAJAJ FINSERV

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.

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.

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 polices:

(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.

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.

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

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 it 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.

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	As at 31 March 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	As at 31 March 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:

i. ₹ 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;

ii. ₹ 328.19 crore (Previous year ₹ 384.43 crore) fixed deposit under lien with stock exchanges for margin requirement;

iii. ₹ 1.57 crore (Previous year ₹ 1.74 crore) deposits with exchange for trade;

iv. ₹ 489.88 crore (Previous year ₹ 540.72 crore) deposits with bank for bank guarantee;

v. ₹ 0.25 crore (Previous year ₹ 0.24 crore) deposits with the Pension Fund Regulatory & Development Authority; and

vi. ₹ 19.88 crore (Previous year ₹ Nil) pledged as lien on securtisation 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

7 Derivative financial instruments (at FVTPL) (Contd.)

(₹ 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
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

(₹ in crore)

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

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 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

(₹ in crore)

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 At amortised cost	As at 31 March 2025 At fair value through OCI*	As at 31 March 2025 Total	As at 31 March 2024 At amortised cost	As at 31 March 2024 At fair value through OCI*	As at 31 March 2024 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.

9 Loans (Contd.)

Loan details

(₹ in crore)

Particulars	As at 31 March 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 arrangments 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	-

10 Investments

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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)

Particulars	As at 31 March 2025	As at 31 March 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)

Particulars	As at 31 March 2025	As at 31 March 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)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 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

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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

(₹ in crore)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 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

(₹ in crore)

Particulars	For the year ended 31 March 2025	For the year ended 31 March 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

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

(₹ in crore)

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

(₹ in crore)

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

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

(₹ in crore)

Particulars	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).

15 Payables

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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:

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
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

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2025	As at 31 March 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
INE296A07RO8	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	-
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
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	As at 31 March 2024
INE296A07S06	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

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2025	As at 31 March 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)

ISIN	Coupon rate	Put option date	As at 31 March 2025	As at 31 March 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)

Particulars	As at 31 March 2025	As at 31 March 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	As at 31 March 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

	Residual maturity of loan									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
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

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

	Residual maturity of loan									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
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

	Residual maturity of loan									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
Up to 3 years	-	-	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									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
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									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
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

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	
Original maturity of loan	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 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	
Particulars	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)

(I) Terms of repayment of securitisation liabilities

	As at 31 March 2025		As at 31 March 2024	
Particulars	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)

Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	Total
Up to 1 year	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)

	Residual maturity of deposits				
Original maturity of deposits	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in More than 3 years	Total
Up to 1 year	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	As at 31 March 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	-	-

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	As at 31 March 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	As at 31 March 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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 2024
Statutory dues	498.37	470.13
Others	33.73	24.65
	532.10	494.78

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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)

	As at 31 March 2025		As at 31 March 2024	
Particulars	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)

	As at 31 March 2025		As at 31 March 2024	
Particulars	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

23 Equity share capital (Contd.)

(E) Shareholding pattern of Promoters (Face value ₹ 2 per share)

Particulars	As at 31 March 2025 Nos.	As at 31 March 2025 % Holding	As at 31 March 2024 Nos.	As at 31 March 2024 % Holding	% Changes during the year	% Changes during the previous year
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%
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)

	Particulars	Nature and purpose	As at 31 March	
			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

24(A) Other equity (Contd.)

(₹ in crore)

Particulars	Nature and purpose	As at 31 March 2025	As at 31 March 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
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)

	For the year ended 31 March 2025				For the year ended 31 March 2024			
	On financial assets measured at				On financial assets measured at			
Particulars	FVOCI	Amortised cost	FVTPL	Total	FVOCI	Amortised cost	FVTPL	Total
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

26 Fees and commission income

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

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:

		For the year ended 31 March	
	Particulars	**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

(₹ in crore)

	As at 31 March	
Particulars	**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	-

40 Revenue from contracts with customers

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

	For the year ended 31 March	
Particulars	**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

41 Employees benefit plans (Contd.)

Movement in plan assets

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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	As at 31 March 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	As at 31 March 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	As at 31 March 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

41 Employees benefit plans (Contd.)

Expected contribution to fund in the next year

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	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

(₹ in crore)

Particulars	For the year ended 31 March 2025	2024
Past service cost	3.07	-
	3.07	-

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	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

41 Employees benefit plans (Contd.)

(III) Other long-term employee benefits

(A) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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	As at 31 March 2024
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
Tangible	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

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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 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	-

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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 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	-
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 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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 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	-	-

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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 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	-	-	-

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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in Balance Sheet
3. Bharti Bhatt (Mother of Rakesh Bhatt, Executive Director of the Company form 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 form 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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 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)

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 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 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'.

44 (B) Disclosure of transaction with individual related parties on aggregate basis which are not part of note 44(A)

(₹ in crore)

S. No	Nature of relationship	Nature of transaction	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet	FY2023-24 Transaction value	FY2023-24 Outstanding amounts carried in BalanceSheet
1	Close members of the families of key management personnel of the entity or its parent	Contribution to equity (203,005 share of ₹ 2 each, previous year 203,300 shares of ₹ 2 each)	-	(0.04)	-	(0.04)
		Contribution to equity shares of BHFL (7,278 share of ₹ 10 each)	0.05	(0.01)	-	-
		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	-

44 (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	As at 31 March 2024
A	**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	-
B	**Associates**			
	Snapwork Technologies Private Limited	Information technology development and customisation charges	0.04	-
C	**Entities in which key management personnel or their relatives 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	-

44 (D) Summary of total compensation to key management personnel

(₹ in crore)

S. No	Categories	For the year ended 31 March 2025	For the year ended 31 March 2024
1	Short-term employee benefits	50.70	55.29
2	Share-based payment	52.39	45.51
3	Equity shares issued pursuant to stock option scheme	40.52	77.49
		143.61	178.29

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)

	As at 31 March	
Particulars	**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%

45 Capital (Contd.)

Bajaj Housing Finance Limited

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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

(₹ in crore)

Particulars	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)

(₹ in crore)

Particulars	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)

(₹ in crore)

Particulars	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.

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)

		Fair value measurement using			
Particulars	Date of valuation	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
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: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
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)

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:

<table>
<tr><th>Nature of risk</th><th>Arising from</th><th>Executive governance structure</th><th>Measurement, monitoring and management of risk</th></tr>
<tr><td>Liquidity risk</td><td>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</td><td>Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)</td><td>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.</td></tr>
</table>

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 it's 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.

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 and focuses on diversification of its 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.

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

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)

Particulars	As at 31 March 2025	As at 31 March 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

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 relavant foreign currencies to calculate the impact on OCI.

(₹ in crore)

	Impact on profit after tax		Impact on OCI	
Particulars	**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)

	Impact on profit after tax		Impact on OCI	
Particulars	**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

48 Financial risk management (Contd.)

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
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.

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:

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="8">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates.</td><td rowspan="8">emperical performance across different DPD (Days Past Due) ranges</td><td rowspan="11">100%</td><td rowspan="9">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%.</td><td rowspan="6">LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>SME lending (excluding car loan)</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td></tr>
<tr><td>Rural B2C (excluding gold loan)</td><td>Personal loans to salaried, self employed customers, professionals</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td><td>Based on Management judgement</td></tr>
<tr><td>Car loans</td><td>New and used car financing</td><td>Proxy from Two wheeler finance portfolio</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and emperical default rates and management evaluation/ judgement for wholesale loans.</td><td>Based on Management judgement</td></tr>
<tr><td>Loans against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Based on Management judgement</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Basis external credit rating</td></tr>
</table>

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)

	Secured			Unsecured		
Particulars	**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)

	Secured			Unsecured		
Particulars	**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.

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 granulisation 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

(₹ in crore)

Particulars	As at 31 March 2025	As at 31 March 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%

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

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

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 Address: Second floor, Plot No. 30, Galaxy, 1 st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078	22-Sep-22	8.33	Karuna Business Solutions LLP Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036LLP IN: AAD-0057	31-Aug-23	5.00
				22-Sep-23	3.00
CIN: U45203KA2003PTC094179	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).

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	Balance outstanding as at 31 March 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	Balance outstanding as at 31 March 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.

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		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

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	Bajaj Financial Securities Limited
2	The date since when subsidiary was acquired	01.11.2014	10.08.2018
3	Reporting period for the subsidiary concerned, if different from the Holding company's reporting period	NA	NA
4	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
5	Share capital	8,328.15	967.76
6	Other equity	11,618.65	321.16
7	Total assets	102,808.75	6,544.21
8	Total liabilities	82,861.95	5,255.27
9	Investments	2,533.32	356.50
10	Turnover	9,575.96	800.27
11	Profit before taxation	2,770.23	183.23
12	Provision for taxation (net)	607.33	44.57
13	Profit after taxation	2,162.90	138.66
14	Proposed dividend	NA	NA
15	% of shareholding	88.75%	100%

Part B: Associates and Joint Ventures –

(₹ in crore)

1	Name of the associates	Snapwork Technologies Private Limited	Pennant Technologies Private Limited
2	Date on which the associate was associated	25.11.2022	19.01.2024
3	Latest audited Balance Sheet date	31.03.2025	31.03.2025
4	Shares of Associate held by the Company on the year end		
	- Number	65,098*	994,006*
	- Amount of investment in associate	92.74	267.47
	- Extend of holding %	41.50%*	26.53%*
5	Description of how there is significant influence	By way of shareholding	By way of shareholding
6	Reason why the associate is not consolidated	N.A	N.A
7	Net worth attributable to shareholding as per latest audited Balance Sheet	52.65	76.37
8	Profit/Loss for the year		
	- Considered	5.62	12.19
	- 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