

# DIRECTORS' REPORT

Dear Shareholders,

Your directors present the thirty-eight Annual Report along with the audited standalone and consolidated financial statements for Financial Year 2024-25 (or FY2025).

## Sad demise of Madhur Bajaj

At the outset, your directors express their profound grief on the sad demise of Madhur Bajaj, who passed away on 11 April 2025. He served on the Board of the Company as a non-executive director from 15 May 1990 till 31 July 2022.

He was associated with the Bajaj Group for more than three (3) decades and served as a Board Member on the following listed group companies:

- Bajaj Finserv Limited;
- Bajaj Auto Limited;
- Bajaj Holdings & Investment Limited;
- Maharashtra Scooters Limited; and
- Bajaj Electricals Limited

The Board of Directors ('Board') placed on record its sincere appreciation for Madhur Bajaj's valuable service and contribution during his long association with the Company.

## Company overview

### "From Legacy to Leadership: Bajaj Finance's Evolution into a Financial Services Leader"

Bajaj Finance Limited, ('Company' or 'BFL') is part of the Bajaj group, which was founded in 1926 and is one of the oldest and most trusted retail business houses of India. The Company is one of the leading financial services names in the non-banking financial companies ('NBFCs') industry.

BFL is a public limited company incorporated on 25 March 1987 under the Companies Act, 1956 and has its registered office at C/o Bajaj Auto Ltd., Akurdi, Pune 411 035, Maharashtra, India. The Company changed its name from Bajaj Auto Finance Limited to Bajaj Finance Limited in the year 2010. It is registered as a Deposit taking Non-Banking Finance Company vide the Reserve Bank of India ('RBI').

The Company launched its initial public offering of equity shares and was listed on the BSE Limited in the year 1994. Subsequently, listed on National Stock Exchange of India in the year 2003. It is also a registered as a corporate agent with the Insurance Regulatory and Development Authority of India ('IRDAI'). The Company stood at 13th rank based on average market capitalisation from 1 July 2024 to 31 December 2024.

The Company aims to be the most sustainable and profitable companies in India and a pre-eminent choice for its large customer franchise for all their financial service's needs by accelerating business transformation and leveraging digital and Artificial Intelligence ('AI') enabled technology architecture integrating AI across all its processes to significantly improve customer engagement, grow revenue, reduce opex, reduce credit costs, enhance productivity and strengthen controllership that integrates AI across all its processes to deliver significant operating leverage and create a virtuous growth cycle.

RBI has categorised Bajaj Finance Limited as an NBFC in the Upper Layer for the third consecutive time for the year 2024-25 vide its press release dated 16 January 2025. The Company is in compliance with RBI Scale Based Regulations.

Under the Inter-Regulatory Forum (IRF) mechanism for monitoring Financial Conglomerates (FC), the RBI has been designated as the Principal Regulator for the Bajaj Group, replacing the IRDAI. Correspondingly, the Designated Entity (DE) for the Group has been changed from Bajaj Allianz Life Insurance Company Limited to Bajaj Finance Limited.

## Financial Results

The highlights of the standalone financial results are given below:

Particulars	(₹ in crore)		
	FY2025	FY2024	% change over FY2024
Interest income	51,549	40,783	26
Interest and finance charge	18,437	13,843	33
<b>Net interest income</b>	<b>33,112</b>	<b>26,940</b>	23
Fees, commission, and other income	7,871	6,163	28
<b>Net Total Income</b>	<b>40,983</b>	<b>33,103</b>	24
Total operating expenses	13,968	11,478	22
<b>Pre-impairment operating profit</b>	<b>27,015</b>	<b>21,625</b>	25
Impairment on financial instruments	7,883	4,572	72
<b>Profit before tax</b>	<b>21,676</b>	<b>17,053</b>	27
<b>Profit after tax</b>	<b>16,662</b>	<b>12,644</b>	32
<b>Retained earnings as at the beginning of the year</b>	<b>33,359</b>	<b>25,060</b>	33
Profit after tax	16,662	12,644	32
<b>Retained earnings before appropriations</b>	<b>50,021</b>	<b>37,704</b>	33
<b>Appropriations</b>			
Transfer to reserve fund u/s 45-IC (1) of the RBI Act, 1934	3,335	2,530	32
Dividend paid	2,227	1,815	23
<b>Retained earnings as at the end of the year</b>	<b>44,459</b>	<b>33,359</b>	33

Due to rounding off, numbers presented in above table may not add up precisely to the totals provided.

## Transfer to Reserve Fund

Under Section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 3,335 crore to its reserve fund.

Pursuant to provisions of Companies Act, 2013 (the 'Act') read with relevant rules thereunder, the Company, being a NBFC, is exempt from creating debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfil its obligations arising out of debentures. In case of secured debentures, an asset cover of at least 100% is maintained at all times.

## Dividend

RBI vide Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, has prescribed the framework for declaration of dividend by NBFCs. Accordingly, the Board, after taking into account various aspects and in compliance with the said regulation, at its meeting held on 29 April 2025 has declared/recommended the dividend as mentioned below:

### Special (Interim) Dividend

The Board of Directors, at its meeting held on 29 April 2025, declared an interim dividend of ₹ 12 per equity share (600%) of face value of ₹ 2 for the year ended 31 March 2025. The distribution of Special (Interim) Dividend is on account of exceptional gain resulting from the sale of investment in Bajaj Housing Finance Limited ('BHFL') as part of IPO listing in September 2024. The record date fixed for the purpose of declaration of dividend was 9 May 2025. The total dividend pay-out on account of interim dividend was ₹ 745.71 crore.

### Final Dividend

Recommend for consideration of the members at the ensuing Annual General Meeting ('AGM'), payment of final dividend of ₹ 44 per equity share (2200%) of face value of ₹ 2 for the financial year ended 31 March 2025. The record date fixed for the purpose of declaration of dividend was 30 May 2025. The total dividend pay-out on account of final dividend is ₹ 2,734.29 crore.

The total dividend for FY2025 is ₹ 3,480 crore.

The special interim dividend and final dividend recommended are in accordance with the principles and criteria set out in the Company's dividend distribution policy. Total dividend proposed for the year does not exceed the ceilings specified in said RBI Regulations.

The said dividends will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer Notice of AGM.

Pursuant to the provisions of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the Company had formulated a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. The said policy is annexed to this Report and is also available on the website of the Company at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-distribution-policy-20-march-2025pdf?scl=1&fmt=pdf>

### Working Results of the Company

On a consolidated basis, BFL recorded AUM growth of 26% and growth in profit after tax of 16% in FY2025 as against AUM and profit after tax growth of 34% and 26%, respectively, in FY2024. With its strong AUM and profit growth in FY2025, BFL has further increased its share in the financial services sector in India. Return on average assets ('ROAA') and return on average equity ('ROAE') for FY2025 was 4.57% and 19.19% respectively on a consolidated basis.

The Company's business model continues to generate healthy pre-impairment operating profits enabling it to withstand higher credit losses in times of stress such as these. It remains well capitalised with a capital-to-risk weighted asset ratio ('CRAR') of 21.93% as on 31 March 2025 – making it among the best capitalised large NBFCs in India.

As a result of its deeply embedded risk culture and robust risk management practices, the Company's portfolio quality as of 31 March 2025 continues to remain strong. BFL's consolidated Gross NPA at 0.96% and Net NPA at 0.44% are among the lowest in the industry.

Using its robust risk management and portfolio monitoring framework, BFL took enhanced credit costs based on emerging trends across its different portfolios. It holds a management overlay provision on account of volatile macroeconomic factors of ₹ 67 crore on consolidated basis as on 31 March 2025.

#### The consolidated performance highlights for FY2025 are given below:

- Number of new loans booked: 43.42 million
- AUM grew by 26% to ₹ 416,661 crore
- Net interest income ('NII') rose by 23% to ₹ 36,393 crore
- Net total income ('NTI') rose by 24% to ₹ 44,954 crore
- Total operating expenses ('Opex') grew by 21% to ₹ 14,926 crore
- Opex to NTI stood at 33%
- Pre-impairment operating profit rose by 25% to ₹ 30,028 crore
- Impairment on financial instruments was ₹ 7,966 crore
- Profit before tax ('PBT') increased by 14% to ₹ 22,080 crore
- Profit after tax ('PAT') increased by 16% to ₹ 16,779 crore
- Capital adequacy ratio as of 31 March 2025 was 21.93%, which is well above the RBI norms. Tier I adequacy ratio was 21.09%.

For more details on the performance of the Company and business segments refer [Management Discussion and Analysis](#).

## Subsidiaries, Associates and Joint Venture

The Company has the following subsidiaries and associate companies as on 31 March 2025:

Sr no.	Name of entity	% of equity Stake	Relationship	Business activity
1.	Bajaj Housing Finance Limited	88.75	Subsidiary	Housing finance
2.	Bajaj Financial Securities Limited	100	Subsidiary	Stock broking and depository participant
3.	Snapwork Technologies Private Limited	41.5*	Associate	Software development for financial services
4.	Pennant Technologies Private Limited	26.53*	Associate	Software development for financial services

\*On diluted basis

### A. Subsidiaries:

- (i) Bajaj Housing Finance Limited ('BHFL') is registered as an non-deposit taking National Housing Bank ('NHB') as a Housing Finance Company ('HFC') engaged in the business of mortgage lending since Fiscal 2018.

The Company offers financial solutions tailored to individuals and corporate entities for the purchase and renovation of homes and commercial spaces. The Company's mortgage product suite is comprehensive and comprises (i) home loans; (ii) loans against property; (iii) lease rental discounting; and (iv) developer financing. Furthermore, BHFL primary emphasis is on individual retail housing loans, complemented by a diversified collection of lease rental discounting and developer loans. Consequently, the financial products of the BHFL cater's to every customer segment, from individual homebuyers to large-scale developers. It is also a registered intermediary with IRDAI as a corporate agent.

RBI vide its press release dated 30 September 2022 has classified BHFL as an upper layer NBFC ('NBFC-UL') under the RBI Scale Based Regulations.

Pursuant to the RBI Scale Based Regulation, all upper layer NBFCs and HFCs are required to be listed within three years of identification as NBFC-UL. Accordingly, BHFL came out with its maiden public offer ('IPO') of its equity shares in National Stock Exchange of India Limited and BSE Limited. The IPO was combination of fresh issue of capital and offer for sale by your Company.

BHFL successfully concluded its IPO of ₹ 6,560 crore comprising fresh issue of ₹ 3,560 crore and an offer for sale of ₹ 3,000 crore in September 2024. The equity shares of the Company were listed on the BSE Limited and National Stock Exchange of India Limited on 16 September 2024.

Consequent to the same, BHFL, ceased to be your Company's wholly-owned subsidiary. The Company now holds 88.75% capital in BHFL.

### Performance highlights of FY2025:

- AUM as at 31 March 2025 was ₹ 114,684 crore as compared to ₹ 91,370 crore as at 31 March 2024, representing a growth of 26%
- NII rose by 20% to ₹ 3,007 crore
- NTI rose by 23% to ₹ 3,597 crore
- Total operating expenses ('Opex') grew by 6% to ₹ 747 crore
- Opex NTI stood at 21%
- Pre-impairment operating profit rose by 28% to ₹ 2,850 crore
- Impairment on financial instruments was ₹ 80 crore
- Gross NPA and Net NPA were at 0.29% and 0.11%, respectively, amongst the lowest across all HFCs
- PBT increased by 28% to ₹ 2,770 crore
- PAT grew by 25% to ₹ 2,163 crore
- As on 31 March 2025, capital adequacy ratio was 28%, which is well above the prescribed norms of 15%

As on date of this report, the total investment in BHFL is approximately ₹ 9,121 crore.

- (ii) Bajaj Financial Securities Limited ('BFSL', 'BFinsec') is registered with SEBI, both as a stockbroker and as a depository participant.

BFSL provides a comprehensive suite of services to retail and HNI clients, encompassing DP services, Broking, Margin Trading Facility, and Financing for Offer for Sale.

#### Performance highlights of FY2025:

- Customer franchise as of 31 March 2025 was over 979,000
- Margin trade funding book stood at ₹ 4,505 crore as of 31 March 2025
- NII for FY25 was ₹ 249 crore
- NTI for FY25 was ₹ 441 crore
- PAT for FY25 was ₹ 139 crore

In order to support BFinsec to augment its business growth, facilitate working capital requirements, and building a proprietary trading book, the Company infused capital to the tune of ₹ 200 crore.

As on date of this report, the total investment in BFinsec is approximately ₹ 1,070 crore.

During FY2025, no new subsidiary or associate company was incorporated/acquired. The Company has not entered into a joint venture with any other company.

The financial statements of the subsidiary companies are also available in a downloadable format under the 'Investor Relations' section on the Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>

The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, as amended, can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsiidiary-v5pdf?scl=1&fmt=pdf>

In terms of the said policy and provisions of regulation 16 of the SEBI Listing Regulations, as amended, BHFL is a material subsidiary of the Company.

For more detailed discussion on the performance of the subsidiaries and their various segments, refer [Management Discussion and Analysis](#).

## B. Associates

### Snapwork Technologies Private Limited ('Snapwork')

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

Incorporated in 2008, Snapwork has some of the leading financial services companies in India as its clients.

Snapwork works closely with your Company to solve key technical priorities on scalability, experience and performance. Snapwork has developed the Bajaj Finserv App.

Details of investment made in Snapwork also forms part of the financial statements.

During FY2025, Snapwork made a profit of ₹ 13.53 crore, of which Company's share of profit was ₹ 5.62 crore.

### Pennant Technologies Private Limited ('Pennant')

Pennant is a financial technology company. It provides end to end lending solutions with products like Loan Origination System, Loan Management System, Collections, CRM, and key digital enablers. At the core of Pennant's offerings is the pennApps Lending Factory (PLF)—a comprehensive, highly configurable, and scalable lending platform that streamlines the entire loan lifecycle.

Incorporated in 2005, Pennant has successfully executed over 250 projects in the banking and financial services sector. Pennant has 40+ clients including top tier Banks, NBFCs and housing finance companies as its clients.

Pennant has become key Loan Management System provider to BFL with majority of the product portfolio on Pennant LMS. During the FY2025, your Company has successfully transitioned its B2B portfolio from an older platform to Pennant LMS.

During FY2025, Pennant's made a profit of ₹ 45.93 crore, of which Company's share of profit was ₹ 12.19 crore.

Details of investment made in Pennant also forms part of the financial statements.

A separate statement containing the salient features of the subsidiaries and associate in the prescribed form AOC-1 is attached to the consolidated financial statements.

## Other strategic investments

Bajaj Finserv Direct Limited ('BFSD' or 'BFS-Direct') has 2 synergistic divisions viz., Bajaj Markets, and Bajaj Technology Services. Bajaj Market is a financial services marketplace that offers multiple financial services products across categories including - Loans, Credit Cards, Insurances and Investments. It has over 90 onboarded partners with over 23 crore annual visitors on its digital properties. Bajaj Technology Services works in digital and enterprise space offering niche technologies like Adobe, Salesforce, Multi-cloud, Gen AI and Data engineering & analytics to BFSI companies across India and Middle East.

BFS-Direct is registered with IRDAI as a composite Corporate Agent for distribution of insurance (life and general) products in India. BFSD is also registered with SEBI through its Investment Advisory Department as an Investment Advisor. It offers various financial products and services to its customers, through its partners listed on its digital platform.

During FY2022, the Company made investments in the form of equity shares amounting to ₹ 2.69 crore and convertible loan amounting to ₹ 280.47 crore, aggregating to ₹ 283.16 crore. During the year under review, the Company, based on the recommendation of Strategic Investment Committee ('SIC') and approval of Board, converted all of its loan granted to BFSD into equity shares.

As on 31 March 2025, Bajaj Finserv Limited ('Bajaj Finserv' or 'BFS'), holds 80.10% of the share capital of BFSD and the remaining 19.90% is held by your Company.

## Customer Engagement

Customer engagement and experience are core pillars of our organization, and we are dedicated to upholding customer fairness in both letter and spirit across all our actions. Proactive engagement empowers institutions to gain meaningful insights, manage risks effectively, ensure compliance, and seamlessly adopt new technologies. In today's dynamic environment, prioritizing customer experience is vital for staying competitive, fostering strong relationships, and driving sustainable success.

To strengthen the customer engagement and monitoring process, the Board has constituted a Customer Service Committee ('CSC') headed by an independent director.

The Committee was reconstituted during the year under review, Rajeev Jain and Dr. Naushad Forbes stepped down as members of the Committee. Further, Anup Saha and Tarun Bajaj have been inducted as members of the Committee.

The composition as on 31 March 2025 is as follows:

Sr. No.	Name of director	Category
1.	Pramit Jhaveri	Chairman, non-executive, independent
2.	Tarun Bajaj	Non-executive, independent
3.	Sanjiv Bajaj	Non-executive, non-independent
4.	Anup Saha	Executive, non-independent

The Customer Service Committee of the Board plays a key role in elevating the customer experience by guiding and overseeing strategies and initiatives focused on enhancing the quality of customer service. With members bringing diverse expertise, the Committee works closely with Management to identify improvement areas, evaluate customer feedback, and implement policies that address concerns in a timely manner. By prioritizing customer-centric practices and fostering a culture of responsiveness and empathy, the Committee ensures



the organisation continuously evolves to meet the dynamic business needs and expectations of its customers, ultimately fostering loyalty and trust.

During FY2025, the Committee met 6 (six) times.

In addition, the Company has in place a Standing Committee of Management for Customer Service.

The CSC is regularly informed of the discussions, actions, and recommendations made by the Standing Committee. Any suggestions, feedback, and guidance from the CSC are considered by the Standing Committee for appropriate follow-up actions. The internal ombudsman are permanent invitees to the CSC meetings.

Several initiatives, guided by these Committees, are implemented to reinforce BFL's commitment to its customers. To list a few:

- Reviewing key baseline metrics which are key to customer service and experience;
- Branch Customer meeting scope enhanced with inclusion of MFI branches along with existing urban, rural, gold loan and FD branches;
- In compliance with FPC guidelines, BFL made all service documents, including SOA, Foreclosure Letters, NOCs, and NDCs, available in 20 vernacular languages;
- Customer education and awareness programmes – 7 offline programmes conducted on financial education, fraud awareness and grievance redressal mechanism with participation of 1000+ customers/citizens; and
- Monitoring customer satisfaction (CSAT) scores across all channels for multiple service interactions enables the Company to review the effectiveness of its customer engagement initiatives. As of 31 March 2025, BFL has received over 16.50 million responses and achieved a CSAT score of 97%.

Initiatives of the Company towards customer engagement are detailed in the [Management Discussion and Analysis](#).

## Risk Management Framework

The Board of Directors has adopted a risk management policy for the Company which provides for identification of key events/risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

This framework, *inter alia*, provides a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organisation. It covers principles of risk management, risk governance with roles and responsibilities, business control measures, principle risks and business continuity plan. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

To oversee the implementation of Risk Management Framework, the Board had constituted a Risk Management Committee comprising of independent and non-independent board members. It is chaired by an Independent Director. The Committee meets at least (4) four times a year and additionally on such occasions as it deems necessary. The Committee oversees various *inter alia*, credit risk, operations risk, technology risk and regulatory risk. During the year under review, the terms of reference of the Committee was expanded to bring within its ambit, the review of all product programmes, novel features/process associated therewith and inherent risk in the products.

The Committee was reconstituted during the year to comprise of only Board Members. Anami N Roy stepped down as member of the Committee. Further, Ajay Kumar Choudhary and Anup Saha were inducted as the members of the Committee.

The composition as on 31 March 2025 is as follows:

Sr. No.	Name of director	Category
1.	Pramit Jhaveri	Chairman, non-executive, independent
2.	Ajay Kumar Choudhary	Non-executive, independent
3.	Sanjiv Bajaj	Non-executive, non-independent
4.	Rajeev Jain	Executive, non-independent
5.	Anup Saha	Executive, non-independent

Further details on RMC are furnished in the Report on Corporate Governance.

More detailed discussion on the Company's risk management and portfolio quality is covered in the [Management Discussion and Analysis](#).

### Fraud monitoring and reporting

RBI *vide* Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) dated 15 July 2024, has amended the fraud monitoring framework for NBFCs. In terms of the same, the Company has constituted a special committee of the Board titled "Special Committee for Monitoring and follow up of cases of fraud" (hereinafter referred as 'FMC'). The Committee comprises of 2 independent directors and 2 non-independent directors and chaired by an independent director with requisite expertise. The composition is as follows:

Sr. No.	Name of director	Category
1.	Anami N Roy	Chairman, non-executive, independent
2.	Tarun Bajaj	Non-executive, independent
3.	Rajeev Jain	Executive, non-independent
4.	Anup Saha	Executive, non-independent

The Committee, *inter alia*, will oversee the effectiveness of the fraud risk management and review and monitor cases of frauds, including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.

During the year under review, instances of frauds were reported to the FMC and Audit Committee of the Board. The amount involved in above said cases was approximately ₹ 43.40 crore in aggregate. These cases, *inter alia*, included forgery, identity theft and misappropriation of funds.

Out of the above, an aggregate amount of approximately ₹ 3.54 crore was found to have involvement of employee(s). Following the detection, the services of concerned employee(s) were terminated. As a preventive measure, the Company has also undertaken steps to educate other employees through targeted communication and internal awareness initiatives to strengthen vigilance and mitigate the risk of similar incidents in the future.

Approximately ₹ 13.80 crore has been recovered till date. None of the above reported frauds had involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

Further, the same was also reported to RBI and Statutory Auditors. The Statutory Auditors, in turn, have also brought these cases to the attention of the Audit Committee pursuant to circular issued by National Financial Reporting Authority ('NFRA') dated 26 June 2023.

The Company has a specialist unit - Risk Containment Unit ('RCU') to handle anti-fraud prevention, detection, and investigation for the Company. This unit is responsible to investigate frauds perpetrated by customers, sourcing channels and internal employees either alone or in connivance with each other and take deterrence actions. This unit also implements anti-fraud checks before disbursement of loan through inbuilt advanced fraud controls analytics in its loan origination system and these checks are periodically updated based on root cause analyses & learnings.

### Internal Capital Adequacy Assessment Policy ('ICAAP')

Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Company - Scale Based Regulation) Directions, 2023 issued by RBI on 19 October 2023 ('RBI Scale Based Regulations'), NBFCs are required to have an ICAAP in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business and also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, the Company has framed an ICAAP policy. This policy is developed considering the requirements of the SBR and is based on the Pillar-2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision ('BCBS').

The objective of the policy is to provide an ongoing assessment of the Company's entire spectrum of risks and the methodology to assess current and future capital, reckoning other mitigating factors and also to assist and apprise the Board on these aspects and on Company's internal capital adequacy assessment process and Company's approach to capital management.



## Information Technology Governance and Cyber Security

The RBI has issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices effective 1 April 2024. In line with said Directions, the terms of reference of the IT Strategy Committee were revised during the year. The same, *inter alia*, includes the following:

- Review at least on an annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management;
- Review the assessment of IT capacity requirements and measures taken to address the issues; and
- Approve documented standards and procedures for access to information assets.

Detailed terms of reference can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-it-committeepdf?scl=1&fmt=pdf>

In terms of the aforementioned Directions, the Committee meets on a quarterly basis. Information Security Committee and IT Steering Committee are also formed in line with aforementioned Directions. These committees also meet on quarterly basis.

The IT Strategy Committee met four (4) times during the year under review.

The Committee was reconstituted during the year to comprise of only Board Members. Sanjiv Bajaj stepped down as member of the Committee. Further, Ajay Kumar Choudhary and Anup Saha were inducted as the members of the Committee.

The Composition of the Committee as on 31 March 2025:

Sr. No.	Name	Category
1.	Dr. Naushad Forbes	Chairman, non-executive, independent
2.	Ajay Kumar Choudhary	Non-executive, independent
3.	Rajeev Jain	Executive, non-independent
4.	Anup Saha	Executive, non-independent

Pursuant to the said Directions, the Company has a Chief Information Security Officer ('CISO'). CISO is responsible for driving cyber security strategy and ensuring compliance to the extant regulatory/statutory instructions on information/cyber security and other responsibilities as stipulated in the directions.

In accordance with IT Governance framework, the Company has put in place policies which, *inter alia*, includes Business Continuity Policy, Information Security Policy, Information Technology Policy, Cyber Security Policy, IT Outsourcing Policy, Cyber Crisis Management Plan and Information Security Incident Management Policy.

During the year under review, a cyber security awareness programme was conducted for the Board members. It, *inter alia*, covered, industrialisation of cyber-crime operations, new developments and issues relating to cyber and information security, understanding of cyber security trends including recent cyber frauds and attacks, Board's responsibility in the events of change management and cyber security, etc. Further, on an annual basis, the Senior Management and employees of the Company have undergone IT security trainings.

The Company continues to enhance cyber security and information security aspects while transforming to a customer-centric digital enterprise. It has the capability to offer remote access for identified IT vendors/partners to enable full resources for user support, data center support, application maintenance and testing. All IT systems are compliant to ISO 27001 Information Security Management System and ISO 22301 Business Continuity Standard. The Company also has a dedicated cyber security and information security team to ensure technical expertise and regulatory as well as internal compliance for Information Technology. There is an active engagement with stakeholders, including our senior management team, in scenario-based cyber drills to evaluate our readiness to respond to potential cyber threats. Furthermore, security operations are being overhauled to strengthen our detection and response capabilities, while also advancing our proactive threat-hunting measures. Key endeavours include establishing Database Activity Monitoring, Network Behaviour Anomaly Detection and application whitelisting to enhance cyber posture. The implementation of the Zero Trust framework, grounded in the "Trust & Always Verify" doctrine, represents a strategic, long-term initiative aimed at bolstering security and compliance within the BFL IT ecosystem. This framework enhances control across devices, applications, data, networks, and identities, ensuring comprehensive protection.

The Company has implemented an IT Outsourcing Policy approved by the Board of Directors in line with regulatory requirements. The Outsourcing Compliance Committee is chaired by COO and conducted on quarterly basis. The Committee is responsible for:

- Evaluation of the risks and materiality of outsourced activities;
- Ensuring that periodic review of outsourcing arrangements is conducted by the Company; and
- Putting in place a central database on outsourcing.

Periodic risk-based information security assessment is conducted for vendors who are covered under "IT Outsourcing" as per regulatory guidelines. To enhance vendor governance, we have implemented a vendor assessment controls framework. Furthermore, to mitigate supply chain risks, we are improving secure coding guidelines for developers. Additionally, compliance teams have been established within each business unit to ensure alignment with regulatory requirements.

## **Directors and Key Managerial Personnel ('KMP')**

### **A. Change in Directors during the financial year:**

#### **Appointments:**

##### **i. Tarun Bajaj (DIN: 02026219)**

On the recommendation of the NRC, the Board at its meeting held on 25 April 2024 proposed the appointment of Tarun Bajaj as an independent director of the Company for a period of 5 years effective from 1 August 2024. The same was approved by the members vide special resolution passed at the Annual General Meeting held on 23 July 2024.

The Board is of the opinion that Tarun Bajaj is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an independent director strengthening overall composition of the Board.

Tarun Bajaj has successfully passed the online proficiency self-assessment test as required under the provisions of rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

He is a member of Audit Committee, Customer Service Committee and Special Committee for Monitoring and Follow up of cases of fraud.

##### **ii. Ajay Kumar Choudhary (DIN: 09498080)**

On recommendation of NRC, the Board has appointed Ajay Kumar Choudhary as an independent director of the Company for a period of five consecutive years effective from 1 February 2025. The same has been approved by members vide their special resolution passed through postal ballot on 22 March 2025.

The Board is of the opinion that Ajay Kumar Choudhary is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an independent director that can strengthen the overall composition of the Board.

Ajay Kumar Choudhary has successfully passed the online proficiency self-assessment test as required under the provisions of rule 6(4) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

Further, the Board at its meeting held on 20 March 2025, has appointed him as a Member of Risk Management Committee and IT Strategy Committee.

##### **iii. Rajeev Jain (DIN: 01550158)**

The Board at their meeting held on 20 March 2025, approved the elevation of Rajeev Jain as Vice Chairman in a capacity as executive director for period of three years from 1 April 2025 till 31 March 2028.

**iv. Anup Saha (DIN: 07640220)**

Anup Saha, executive director, was re-designated as Deputy Managing Director with effect from 1 April 2024 till 31 March 2028. The re-designation has been approved by the members vide resolution passed through postal ballot on 19 March 2024.

Further, the Board, based on the recommendation of Nomination and Remuneration Committee ('NRC'), elevated him as a Managing Director of the Company effective 1 April 2025 for the remainder of his current term i.e. upto 31 March 2028.

Approval of shareholders is being sought for the appointment of Rajeev Jain and re-designation of Anup Saha by way of postal ballot.

**B. Directors liable to retire by rotation:**

Anup Saha (DIN: 07640220) retires by rotation at the ensuing AGM, being eligible, offers himself for re-appointment.

Brief details of Anup Saha, who is seeking re-appointment, are given in the Notice of 38th AGM.

**C. Continuation of non-retiring director:**

Sanjiv Bajaj is a non-executive non-retiring director. In accordance with regulation 17(1D) shareholders at their last AGM held on 23 July 2024, have approved the continuation of Sanjiv Bajaj as non-executive non-retiring director for a further period of five years with effect from 1 April 2024.

**D. KMPs:**

There are no changes in the KMPs during FY2025.

**Declaration by independent directors**

All the independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under Section 149(6) of the Act read with regulation 16 of the SEBI Listing Regulations, as amended. They also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

The Board took on record the declaration and confirmation submitted by the independent directors regarding them meeting the prescribed criteria of independence, after undertaking due assessment of the veracity of the same in terms of the requirements of regulation 25 of the SEBI Listing Regulations.

In the opinion of the Board, the independent directors fulfil the conditions specified in the Act read with rules made thereunder and have complied with the code for independent directors prescribed in Schedule IV to the Act.

**Remuneration Policies:****1. Policy on Directors' Appointment and Remuneration**

Pursuant to Section 178(3) of the Companies Act, 2013 and regulation 19(4) read with Part D of schedule II of the SEBI Listing Regulations, the Board has framed a Remuneration Policy. This policy, *inter alia*, lays down:

- The criteria for determining qualifications, positive attributes, and independence of directors; and
- Broad guidelines of compensation philosophy and structure for non-executive directors, key managerial personnel and other employees.

In view of detailed RBI Guidelines for NBFCs concerning compensation of KMP and Senior Management ('SMT'), the Company has in place a specific policy to this effect. Accordingly, this remuneration policy has to be read along with the specific policy adopted pursuant to RBI Guidelines as regards compensation of KMP and SMT, which is detailed below.

## 2. Policy for Compensation of KMP and SMT pursuant to RBI Guidelines

RBI has vide its circular dated 29 April 2022 issued Guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs pursuant to RBI Scale Based Regulations. Accordingly, the Company has adopted a Board approved policy exclusively governing compensation payable to KMP and SMT. During the year under review, in line with best practices followed by banks, the categories of employee covered under the policy has been amended to include the identified material risk takers ('MRT'). This policy lays down detailed framework, *inter alia*, encompassing the following:

- Principles of compensation;
- Compensation components;
- Principles of variable pay;
- Deferral of variable pay;
- Compensation for control and assurance function personnel; and
- Provisions for malus and clawback and circumstances under which application of malus and clawback is to be considered.

The aforesaid policies can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-companies-act-2013-v2pdf?scl=1&fmt=pdf> and <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/annexure-4f-policy-for-compensation-of-kmp-and-senior-managementpdf?scl=1&fmt=pdf>

As per the requirements of the RBI Master Directions and SEBI Listing Regulations, details of all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company are disclosed in the Report on Corporate Governance.

## Compliance with Code of Conduct

All Board members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for FY2025.

A declaration to this effect signed by the Managing Director is included in this Annual Report.

## Annual Return

A copy of the Annual Return as provided under Section 92(3) of the Act, in the prescribed form, which will be filed with the Registrar of Companies/MCA, is hosted on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>

## Number of Meetings of the Board

Eight (8) meetings of the Board were held during FY2025. Details of the meetings and attendance thereat forms part of the [Report on Corporate Governance](#).

## Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair value pursuant to the provisions of the Act and guidelines issued by SEBI/RBI. Accounting policies have been consistently applied except where revision to an existing Accounting Standard requires a change in the accounting policy.

In accordance with the provisions of Section 134(3)(c) of the Act and based on the information provided by the Management, the Directors state that:

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for FY2025;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

### Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has an Audit Committee. The Committee was reconstituted during the year under review, Dr. Naushad Forbes stepped down as member of the Committee and Tarun Bajaj has been inducted as a member of the Committee.

The composition as on 31 March 2025 is as follows:

Sr. No.	Name of director	Category
1.	Anami N Roy	Chairman, non-executive, independent
2.	Pramit Jhaveri	Non-executive, independent
3.	Dr. Arindam Bhattacharya	Non-executive, independent
4.	Tarun Bajaj	Non-executive, independent

Further details on Audit Committee are furnished in the [Report on Corporate Governance](#).

The composition of Audit Committee is over and above the minimum requirement prescribed under the Act, SEBI Listing Regulations, and the RBI Regulations for NBFCs (the 'NBFC Regulations') of having a minimum of two-thirds of independent directors, including the Chairman. All members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

During FY2025, all recommendations of the Audit Committee were accepted by the Board.

The brief terms of reference and attendance record of members are given in the [Report on Corporate Governance](#).

### Particulars of Loans, Guarantees and Investments

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in the ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Act by virtue of notification issued under Companies (Amendment) Act, 2017, w.e.f. 7 May 2018, with respect to loans, guarantees and investments. Accordingly, the Company is exempted from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made, guarantee given, or security provided.

In addition to investment in subsidiaries, associates and group companies which is covered above, details of other major investments are as under:

#### 1. One MobiKwik Systems Limited ('MobiKwik'):

The Company continues to stay invested in MobiKwik. Total investment in MobiKwik as on 31 March 2025 is approximately ₹ 296.89 crore.

The total equity shares held by the Company in MobiKwik is 7,979,440 equity shares representing 10.27% of its capital on a fully diluted basis.

Pursuant to Initial Public Offer ('IPO'), Mobikwik issued 20,501,792 fresh equity shares of face value ₹ 2 each, for cash at a price of ₹ 279 per equity share (comprising a share premium of ₹ 277 per share), aggregating to ₹ 5,720 million. At the time of listing, the Company held 13.41% stake in Mobikwik, which reduced to 10.27% post-listing on account of IPO.

#### 2. RBL Bank Limited:

The Company continues to stay invested in RBL Bank Limited.

### 3. RMBS Development Company Limited ('RDCL')

RMBS has been established by NHB with the objective of promoting and developing residential mortgage-backed securities in the country. The entity will act as a market intermediary for residential-mortgage-backed-security ('RMBS') by investing in RMBS, facilitating investment/issuance/trade of RMBS, extend credit enhancement (including second loss credit enhancement) for RMBS transactions, provide liquidity support in the secondary market for RMBS transactions, set-up an information repository of RMBS transactions, develop standards and guidelines to ensure standardisation of RMBS transactions, create securitisation documents for RMBS transactions, leverage a platform to enable price discovery for RMBS transactions, where ecosystem participants come together and finalise securitisation of RMBS transactions, provide warehouse financing, and related advisory and structuring services.

The Company has entered into agreement with National Housing Bank ('NHB') and other investors to acquire upto 7% equity stake in RMBS for an aggregate amount not exceeding ₹ 180 crore.

During the year under review, the Company invested ₹ 35 crore into the equity capital of RDCL. This entire amount represents the Company's total investment in the equity of RMBS.

Further, during the year RDCL has received the Certificate of Registration ('CoR') from the Department of Regulation, Reserve Bank of India ('RBI') on 23 January 2025. The Company has been registered as a Middle Layer Non-Deposit Taking Non-Banking Financial Company (NBFC) under the applicable regulatory framework.

Further details of investments are provided in the financial statements.

### Employee Stock Options ('ESOP')

The Company offers stock options to select employees of the Company and its subsidiaries to foster a spirit of ownership and an entrepreneurial mindset. Because of their nature, stock options help to build a holistic, long-term view of the business and a sustainability focus in the Senior Management team. Stock options are granted to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour. This has contributed to the active involvement of the leadership and senior team who are motivated to ensure long-term success of the Company. Grant of stock options also allows the Company to maintain the right balance between fixed pay, short-term incentives, and long-term incentives to effectively align with the risk considerations and build a focus on consistent long-term results.

As per the Employee Stock Option Scheme of the Company, the total options which could be granted is 35,071,160.

A statement giving complete details, as at 31 March 2025, under regulation 14 of the ESOP Regulations, is available on the website of the Company and can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>. Grant wise details of options vested, exercised, and cancelled are provided in the notes to the standalone financial statements. The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2025.

### Share Capital

During FY2025, pursuant to the approval of the Board of Directors and members of the Company, the following changes have taken place in the share capital of the Company:

#### a) Preferential allotment of Warrants ('PI')

The Company had allotted 1,550,000 convertible warrants by way of preferential offer in FY2024 to Bajaj Finserv Limited, promoter and the holding company, amounting to approximately ₹ 1,200 crore.

In accordance with the terms of issue, 25% of issue price amounting to ₹ 297.21 crore was received on application during FY2024.

During the year under review, Bajaj Finserv Limited, opted for the conversion of warrants and remitted the remaining 75% of the issue amount i.e., ₹ 891.64 crore. Pursuant to the same, the Company has allotted 1,550,000 equity shares conversion of said warrants into equity shares of the Company.

Further, as per SEBI ICDR Regulations, the Company appointed CARE Ratings Limited as monitoring agency to monitor the utilisation of issue proceeds of PI. The agency has confirmed that the net proceeds have been utilised for the purpose stated in the offer document and that there have been no deviations in the use of proceeds as stated in the offer document. Details of utilisation of funds raised through PI as per regulation 32(7A) are given in the [Report on Corporate Governance](#).



**b) Allotment to ESOP Trust**

The Company has issued and allotted 882,182 equity shares of the face value of ₹ 2 each at respective grant prices to the trustees of BFL Employee Welfare Trust under the Employee Stock Options Scheme, 2009.

**Sub-division of Equity Shares of the Company and issue of Bonus shares**

With a view to facilitate participation of retail investors and small potential investors to partake in the Company's future, the Board of Directors of the Company, at their meeting held on 29 April 2025, approved and recommended for consideration of Members, the following:

- sub-division of one equity share of face value of ₹ 2 (Rupees Two Only) into 2 equity shares of face value of ₹ 1 (Rupee One Only); and
- issue of 4 (Four) bonus equity shares of face value of ₹ 1 (Rupee One Only) for every 1 (One) equity share fully paid-up of ₹ 1 (Rupee One Only) by capitalising such sums out of securities premium account and/or any other permitted reserves as may be considered appropriate.

The said recommendation is subject to approval of members via postal ballot. As on 31 March 2025, the paid-up share capital of the Company stood at ₹ 124.29 crore consisting of 621,428,652 equity shares of face value of ₹ 2 fully paid-up.

**Related Party Transactions**

All contracts/arrangement/transactions entered by the Company during FY2025 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. Such transactions are reviewed by the Audit Committee on a quarterly basis.

The Company had engaged an independent law firm to review the transactions carried out with related parties during FY2025, to affirm that the transactions are at arm's length nature of such transactions. The said firm, based on its review has concluded that the aforementioned transactions are at arm's length.

Further, as per Regulation 23(1) of SEBI Listing Regulations, 2015, transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

**Material Related Party Transactions with Bajaj Housing Finance Limited (BHFL), subsidiary of the Company**

The Company sought approval of shareholders for entering into Related Party Transactions. The details are provided hereunder:

Particulars	₹ in crore Amount
Acquisition of loans or loan pools by way of assignment and servicing arrangements	5,050
Granting of any loans or advances, credit facilities, or any other form of fund-based facilities	2,500
Charges for inter-company services rendered between the Company and BHFL	100
Sourcing of products by the Company and BHFL	25
<b>Total</b>	<b>7,675</b>

The aforesaid transaction were approved by the shareholders (excluding promoter and promoter group and all related party) vide postal ballot on 21 December 2024. The resolution was approved with an overwhelming majority i.e., 99.97%. The transactions are permitted to be carried out from the date of approval by postal ballot i.e., 21 December 2024 until the ensuing Annual General Meeting.

Similarly, the approval of the members is being sought at the ensuing Annual General Meeting for entering transactions with BHFL, exceeding the prescribed threshold, amounting to ₹ 12,612 crore. Further details are provided in the Notice of the AGM.

## Material Related Party Transactions with Bajaj Allianz Life Insurance Company Limited ('BALIC'), subsidiary of Bajaj Finserv Ltd, Promoter

The Company proposes to seek the shareholder's approval for material related party transactions with the BALIC. The nature of the transactions and amount for which the approval of shareholders sought is given hereunder:

Particulars	₹ in crore
	Amount
Insurance expenses	80
Commission Income	670
Charges for Marketing, Branding and allied service	250
Call money on partly paid up NCDs	70
Interest paid on NCDs	360
Lease rentals, maintenance charges etc.	5
Other miscellaneous services (Business support, asset purchases and sales)	10
<b>Total</b>	<b>1,445</b>

Further details are provided in the Notice of the AGM.

All related party transactions entered during FY2025 were in the ordinary course of business, at arm's length.

Details of transactions with related parties during FY2025 are provided in the notes to the financial statements. Also, details of transactions with related parties during FY2025 as reported to the stock exchanges in the prescribed format can be accessed at <https://www.aboutbajajfinserv.com/finance-investor-relations-rpt-disclosure>.

All transactions of the Company were on an arm's length basis and in the ordinary course of business. No transaction required approval under Section 188 of the Act, nor any transaction requires reporting under Form AOC-2.

The policy on materiality of related party transactions and on dealing with related party transactions is available on the website of the Company at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-rpt-v5pdf?scl=1&fmt=pdf> and also forms a part of the Report on Corporate Governance.

## Succession Planning

The Company has in place a succession planning framework to address anticipated, as well as unscheduled changes in leadership. The plan is revisited, re-evaluated, and updated every year. The key attributes of the plan involves:

- Organisational level Long Range Strategy wherein talent required to fulfil the Company's strategy and annual operating plan is discussed and planned.
- Performance appraisal system which helps in identifying people demonstrating consistent performance on their Goals and leadership behaviours in line with our cultural anchors.
- Talent Management framework; a bi-annual exercise through which leaders are identified as Top Talent, High Potential and Core Contributors. The exercise culminates in identifying the succession bench for senior management roles.
- Job Rotation Policy with the intent of providing challenging role changes to senior leaders to broaden their perspective and groom them as well rounded leaders.

## Material Changes and Commitments

There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year and the date of this Report.

## Conservation of Energy

The operations of the Company are not energy intensive. The Company implements various energy conservation measures across all its functions and value chain, which are highlighted in the Business Responsibility and Sustainability Report.

## Technology Absorption

The details pertaining to technology absorption have been explained in the [Management Discussion and Analysis](#).

Considering the nature of services and businesses, no specific amount of expenditure is earmarked for Research and Development. However, the Company on an ongoing basis strives for various improvements in the products, platforms, and processes.

## Foreign Exchange Earnings and Outgo

During FY2025, the Company did not have any foreign exchange earnings and the foreign exchange outgo in terms of actual outflow amounted to ₹ 740.79 crore.

## Corporate Social Responsibility ('CSR')

The CSR Committee comprises of three directors viz., Dr. Naushad Forbes, Chairman, Sanjiv Bajaj and Rajeev Jain, members.

The CSR interventions for the year focused on Youth skilling, Child education, Child protection, Child health and Inclusion of Persons with Disabilities. The salient features of the CSR policy and impact assessment report forms part of the Annual Report on CSR activities. The CSR policy has been hosted on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-for-website-v3pdf?scl=1&fmt=pdf>.

The CSR obligation of the Company for FY2025 is ₹ 263.74 crore. As on 31 March 2025, total amount spent on CSR activities by Company is ₹ 257.50 crore.

As per Section 135 of the Act read with Companies (Corporate Social Responsibility Policy) Rules, 2014, as amended, the Company is required to transfer any unspent amount, pursuant to any ongoing project undertaken by the Company in pursuance of its CSR policy, within a period of thirty days from the end of the financial year to a special account opened by the Company in that behalf for that financial year in any scheduled bank called Unspent Corporate Social Responsibility Account.

Due to delay in commencement, some part of the mandatory spend for few ongoing projects remained unspent as on 31 March 2025, thereby requiring it to be transferred to an Unspent Corporate Social Responsibility Account. Accordingly, the Company has opened prescribed bank account to transfer unspent amount of ₹ 6.24 crore.

Pursuant to rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR activities is annexed to this Report.

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for FY2025.

## Formal Annual Evaluation of the performance of the Board, Committees, and directors

Pursuant to Section 178 of the Act, the NRC and the Board has decided that the evaluation shall be carried out by the Board only and the NRC will only review its implementation and compliance.

Further, as per Schedule IV of the Act and provisions of the SEBI Listing Regulations, the performance evaluation of independent directors shall be done by the entire Board excluding the directors being evaluated, on the basis of performance and fulfilment of criteria of independence and their independence from Management. On the basis of the report on performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director.

Accordingly, the Board has carried out an annual performance evaluation of its own performance, that of its Committees, Chairperson and individual directors.

The manner in which formal annual evaluation of performance was carried out by the Board for the year 2024-25 is given below:

- The NRC at its meeting held on 27 January 2025, reviewed and revised the criteria for performance evaluation of independent directors, taking into consideration emerging areas of Board deliberations, the evolving regulatory landscape, and best governance practices. The updated evaluation criteria are available on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-27-january-2025-finalpdf?scl=1&fmt=pdf>
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson, and individual directors. As advised by the NRC and Board, an option to offer a voluntary feedback to the Board, Committees and Directors was provided.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson, and individual directors for the year 2024-25 and a consolidated report thereof were arrived at.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 20 March 2025.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 20 March 2025.
- Based on the report and evaluation, the Board and NRC at their respective meetings held on 20 March 2025, determined that the appointment of all independent directors may continue.
- Details on the evaluation of the Board, non-independent directors, and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 20 March 2025 have been furnished in a separate paragraph elsewhere in this Report.
- During FY2025, the process followed by the Company was reviewed by the NRC, which opined these to be in compliant with applicable provisions and found it to be satisfactory.

Other than Chairperson of the Board and NRC, no other director has access to the individual ratings given by directors.

### Significant and Material Orders passed by the Regulators or Courts

There were no significant or material orders passed by the regulator or court having an impact on the going concern status and Company's operations in future.

Further, details pertaining to penalties/strictures/prohibitions/restrictions on the Company are included in the [Corporate Governance Report](#).

### Internal Financial Controls

Internal Financial Controls laid down by the Company is a systematic set of controls and procedures to ensure orderly and efficient conduct of its business including adherence to the Company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records and timely preparation of reliable financial information. Internal financial controls not only require the system to be designed effectively but also to be tested for operating effectiveness periodically.

The Board is of the opinion that internal financial controls with reference to the financial statements are adequate and operating effectively. The internal financial controls are commensurate with the size, scale, and complexity of operations.

Internal Control Systems and their adequacy has been discussed in more detail in [Management Discussion and Analysis](#).

## Deposits

The Company accepts deposits from retail and corporate clients. As on 31 March 2025, it had a standalone deposit book of ₹ 71,365.52 crore, delivering an annual growth of 19% in FY2025. Deposits contributed to 26% of BFL's standalone borrowings versus 27% as at the end of FY2024.

The consolidated deposits book as on 31 March 2025 stood at ₹ 71,403.13 crore, delivering an annual growth of 19% in FY2025. Deposit contributed to 20% of its consolidated borrowings as on FY2025 versus 21% as at the end of FY2024.

Break-up of deposits raised on a standalone basis:

		(₹ in crore)	
Sr. No.	Type	Amount raised	Outstanding as on 31 March 2025
1.	Public deposit	14,617.00	41,792.21
2.	Corporate deposit	29,290.99	26,931.57
3.	Other deposit	1,417.10	2,641.74

Pursuant to provisions of the RBI Act, 1934, the Company has created a charge on statutory liquid assets amounting to ₹ 6,429 crore in favour of the trustee for Public Fixed Deposit ('FD') holders.

During FY2025, there was no default in repayment of deposits or payment of interest thereon. With a view to reduce unclaimed deposits, the Company adopted the following process:

- Wherever payment of deposit amount and interest thereon is rejected by bank, Customer Service Team calls the depositor on registered mobile number to inform about rejection reason and advises them of the process to change linked bank account;
- In addition, SMS/Email are also sent to depositors to inform them of rejection reason(s) and advise them to initiate appropriate action for change of bank details;
- Account payee cheque along with covering letter in the name of the deposit holder for unclaimed amount is dispatched at depositors communication address (excluding deceased cases, where settlement is to be done as per nomination/survivorship clause);
- In case deposit holder is not contactable, a field verification is initiated by the local branch to reach out to the depositor;
- In case of death of depositors, claim settlement process is advised to joint depositors/nominee/legal heir, as the case may be;
- Wherever resident status of the depositors has changed from Resident to Non-Resident, they are advised to submit updated FATCA/CRS declaration along with resident status change request.

As on 31 March 2025, there were 20 deposits amounting to ₹ 28.82 lakh which had matured and remained unclaimed and interest on matured deposits amounting to ₹ 1.39 lakh and interest on active deposits amounting to ₹ 4.39 lakh had also remained unclaimed.

## Borrowings

The total borrowing limit approved by the shareholders stands at ₹ 375,000.

The total borrowing as on 31 March 2025 is ₹ 275,217.60 crore. The break-up of the same is as under:

		(₹ in crore)					
Particulars	Deposits	Bank Loans (TL/CC/OD/WCDL)	Non-Convertible Debentures	Subordinate Liabilities	Short-term Borrowings	External Commercial Borrowing	Securitisation (PTC)
Amount	71,365.52	57,299.70	89,654.74	3,103.54	36,666.79	15,373.63	1,753.68
% to total borrowing	25.93	20.82	32.58	1.13	13.32	5.59	0.64

## Credit Rating

During the year under review, Moody's Ratings vide their press release dated 17 October 2024, has assigned a first-time Baa3(Stable outlook)/P-3 long-term and short-term foreign and local currency issuer ratings to the Company.

Further, S&P Global Ratings vide their report dated 17 March 2025, have revised long-term rating outlook for the Company from 'Stable' to 'Positive'. The credit rating agency revised upward the Company's standalone credit profile (SACP) from BBB- to BBB.

The brief details of the ratings received from credit rating agencies by the Company for all its outstanding instruments are given in [General Shareholder Information](#).

## Whistle-Blower Policy/Vigil Mechanism

The Company has a Whistle-Blower Policy encompassing vigil mechanism pursuant to the requirements of Section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations. The whistle-blower framework has been introduced with an aim to provide employees, directors, and value chain partners with a safe and confidential channel to share their inputs about such aspects which are adversely impacting their work environment. The policy/vigil mechanism enables directors, employees, and value chain partners to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

The concerns may be reported anonymously either through email or through a 'Confidential Feedback Mechanism', which is reviewed by a Committee comprising of Senior Management representatives. Pursuant to the Whistle-Blower Policy, the summary of incidents investigated, actioned upon, founded and unfounded are reviewed by the Audit Committee on a quarterly basis. Further, the Committee from time to time reviews the functioning of the whistle-blower mechanism and measures taken by the Management to encourage employees to avail of the mechanism to report unethical practices.

The Whistle-Blower Policy is uploaded on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-with-times-stamp.pdf?scl=1&fmt=pdf>.

More details are given in the [Report on Corporate Governance](#).

## Independent Directors' Meeting

Pursuant to the Act and SEBI Listing Regulations, the independent directors must hold at least one meeting in a financial year without attendance of non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 20 March 2025 and:

- noted the report of performance evaluation from the Chairman of the Board for the year 2024-25;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Board, taking into account the views of executive and non-executive directors; and
- assessed the quality, quantity, and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

In addition, the independent directors have a separate meeting with the SMT, during which the SMT is encouraged to express their views and concerns pertaining to the business. Suggestions from the directors are noted by the Management.

## RBI Guidelines

The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital to risk-weighted assets ratio of the Company was 21.96% as on 31 March 2025. In line with the RBI guidelines for asset liability management ('ALM') system for NBFCs, the Company has an asset liability committee, which meets monthly to review its ALM risks and opportunities. Further, BFL exceeds the regulatory requirement of liquidity coverage ratio ('LCR') introduced by the RBI in FY2020. As against the LCR requirement of 100%, BFL's LCR as on 31 March 2025 was 124.93%.

The Company continues to be in compliance with the RBI Scale Based Regulations.



## Corporate Governance

In terms of the SEBI Listing Regulations, a separate section titled [Report on Corporate Governance](#) has been included in this Annual Report, along with the [Management Discussion and Analysis](#) and [General Shareholder Information](#).

The Managing Director and the Chief Financial Officer have certified to the Board in relation to the financial statements and other matters as specified in the SEBI Listing Regulations.

A certificate from auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

## Business Responsibility and Sustainability Report ('BRSR')

Pursuant to the SEBI circular dated 10 May 2021 read with SEBI Master Circular dated 11 November 2024, and amendment in SEBI Listing Regulations, top 1,000 listed entities based on market capitalisation are required to submit BRSR with effect from FY2023.

SEBI, has further introduced BRSR Core, a focused sub-set of the BRSR, comprising Key Performance Indicators ('KPIs') across nine Environmental, Social, and Governance (ESG) attributes. As per the glide path outlined in the circular, the top 250 listed entities are mandated to obtain reasonable assurance on the BRSR Core disclosures. In compliance with the SEBI requirements, the Company has appointed SGS India Private Limited ('SGS') as an Assurance provider for carrying out the Reasonable Assurance for BRSR Core and Limited assurance for the remaining BRSR disclosures, in alignment with SEBI's requirements, for FY2025.

The Company has adopted a Policy for Responsible and Sustainable Business Conduct. The Board has in place an executive level cross functional ESG Committee headed by the Managing Director. The Committee chalks out plans and other initiatives keeping in view the leading practices and the requirements. It also monitors the implementation of ESG related initiatives and reporting thereof.

The BRSR in the updated format (including KPIs of BRSR Core) prescribed by SEBI is annexed to the Annual Report. A detailed ESG Report describing various initiatives, actions and process of the Company towards the ESG endeavour can be accessed at <https://www.aboutbajajfinserv.com/impact-environmental-social-and-governance>.

## Secretarial Standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors and General Meetings read with the MCA circulars.

## Internal Audit

The internal audit function provides an assurance to the Audit Committee/Board of Directors and the Senior Management on the quality and effectiveness of BFL's internal controls, risk management and governance related systems and processes. In line with RBI's guidelines on Risk Based Internal Audit, the Company has implemented a Risk Based Internal Audit Policy.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee. The Audit Committee on a quarterly basis reviews the internal audit reports based on the approved plan, which includes audit observations, corrective and preventive actions. The Committee also reviews adequacy and effectiveness of internal controls based on such reports.

The Committee also has independent meetings with the internal auditor without the presence of Management.

As per RBI guidelines, quality assurance and improvement programme ('QAIP') is required to be carried out at least once a year covering all aspects of internal audit function. Accordingly, QAIP was carried out by an external agency for FY2023-24 to assess functioning of the internal audit function, adherence to the internal audit policy, objectives and expected outcomes. Similarly, QAIP for FY2024-25 will be carried out by an external agency.

## Statutory Auditors

In line with the RBI requirements, the Board of Directors, based on the recommendation of the Audit Committee, at their meeting held on 25 April 2024, appointed Price Waterhouse LLP, Chartered Accountants, (Firm Registration No. 301112E/E300264) ('PWC') and Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No. 105215W/W100057) as Joint Statutory Auditors for a period of 3 years to conduct audit of the financial statements of the Company for the financial years 2025, 2026 and 2027.

The Audit Report given by Price Waterhouse LLP and Kirtane & Pandit LLP, Joint Statutory Auditors for FY2025 is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

In terms of the RBI Master Directions – Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, the previous Joint Statutory Auditors have also submitted an additional Report dated 23 July 2024, for FY2024 which has been filed with RBI. There were no comments or adverse remarks in the said Report as well.

The information under Section 143(12) read with Section 134(3)(ca) of the Act is given in the section 'fraud monitoring and reporting.'

### **Secretarial Auditor**

Pursuant to the provisions of Section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the secretarial audit was conducted by Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572).

A report in the prescribed Form MR-3 is annexed to this Report.

As per regulation 24A(1) of SEBI Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Annual Report. Bajaj Housing Finance Limited ceased to be the material unlisted subsidiary of the Company, pursuant to its listing of equity shares on BSE Limited and National Stock Exchange and India Limited. However, the audit report of BHFL is annexed to this report.

Secretarial audit report pursuant to Section 204 of the Act for BFSL, is not annexed as it is a non-material subsidiary.

Pursuant to regulation 24A(2) of the SEBI Listing Regulations, a report on secretarial compliance for FY2025 has been issued by Shyamprasad D. Limaye and the same will be submitted with the stock exchanges within the given timeframe. The report will also be made available on the website of the Company.

The secretarial audit report for FY2025, is unmodified i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

The secretarial auditor has not reported any matter under section 143(12) of the Act, and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.

### **Appointment of Secretarial Auditor**

In light of the recent amendments in the SEBI Listing Regulations mandating appointment of Secretarial Auditor for a period of five years and with a view to reduce his professional commitments Shyamprasad Limaye has not offered his services as secretarial auditor.

The Board wishes to place on record the valuable services rendered by Shyamprasad during his long association with the Company and the group.

As mentioned above listed entities are required to appoint a secretarial auditor for a period of five years effective from financial year 1 April 2025.

Accordingly, Board has recommended the appointment of Makarand M. Joshi & Co. ('MMJC'), a peer reviewed firm of Company Secretaries in Practice as Secretarial Auditors of the Company for a term of 5 (five) consecutive years for approval of the Members at ensuing AGM of the Company.

Brief resume and other details of proposed secretarial auditors, forms part of the Notice of ensuing AGM. MMJC have given their consent to act as Secretarial Auditors of the Company. They have also confirmed that they are not disqualified to be appointed as Secretarial Auditors in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations.

### **Other Statutory Disclosures**

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, be construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- The financial statements of the Company and its subsidiaries are placed on the Company's website at <https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports>.

- Details required under the provisions of Section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, *inter alia*, the ratio of remuneration of director to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of Section 136(1) of the Act.
- The Company being an NBFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. Disclosures as per NBFC regulations have been made in this Annual Report.
- The provision of Section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- The Company has a policy on prevention of sexual harassment at the workplace. The policy is gender neutral. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details of the composition of the Committee is given in the said policy. The number of complaints received, disposed of, and pending during FY2025 is given in the Report on Corporate Governance. The policy can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harassment-at-workplace-policy-with-time-stamppdf?scl=1&fmt=pdf>.
- There is no change in the nature of business of the Company during FY2025.
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- During FY2025, the Company has issued non-convertible debenture to the tune of ₹ 31,263.10 crore on face value and redeemed non-convertible debentures and subordinate liability to the tune of ₹ 11,675 crore and ₹ 452.50 crore respectively face value. In addition, the Company also raises funds for business purposes through issuance of Commercial Papers ('CPs'). As on 31 March 2025, the total outstanding amount raised through CPs stands at face value of ₹ 21,356.14 crore.
- SEBI vide its circular no. SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated 8 November 2023, has prescribed the procedural framework for dealing with unclaimed interest and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors. The circular requires such companies to formulate a policy specifying the process to be followed by investors for claiming their unclaimed amounts. Accordingly, a policy titled 'Policy for claiming Unclaimed Amounts with respect to Non-Convertible Debentures from Escrow Account' has been framed by the Company. The policy can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-unclaimed-amounts-20-march-2025pdf?scl=1&fmt=pdf>. The Company Secretary has been designated as the Nodal Officer for the purposes of this circular. As on 31 March 2025, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Disclosures under Section 197(14) of Companies Act, 2013:

➤ **Rajeev Jain, Vice Chairman (DIN: 01550158)**

He is on the Board of BHFL as its Non-executive Vice Chairman. In his capacity as a non-executive director, he draws sitting fees and commission from BHFL at par with other non-executive directors in terms of its remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2025 is ₹ 99 lakh. Apart from the above, he does not draw any commission from any other subsidiary company.

Effective 1 April 2025, he has been appointed on the Board of Bajaj Finserv Limited, as a non-executive, non-independent director. He is entitled to sitting fees and commission on par with other non-executive, non-independent director.

He has been awarded one time grant of ESOPs of BFS, holding company during FY2023. All options will vest entirely post completion of 5 years from the grant date.

➤ **Anup Saha, Managing Director (DIN: 07640220)**

Anup Saha is not on the Board of any subsidiary or group companies and does not draw any commission or remuneration from any of these companies.

He has been awarded one time grant of ESOPs of BFS during FY2023. The options will vest entirely post completion of 5 years from grant date.

- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016, against the Company.
- During FY2025, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.
- The voting rights are exercised directly by the employees in respect of shares allotted under the Employee Stock Option Scheme of the Company. Thus, the disclosure requirements pursuant to rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, is not applicable.
- Disclosure pursuant to RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements and Report on Corporate Governance.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013, SEBI Regulations, RBI Directions, and other regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations. The Report on Corporate governance contains web-link for policies hosted on website.

### **Acknowledgement**

The Board of Directors places its gratitude and appreciation for the support and cooperation from its members, the RBI and other regulators, banks, financial institutions, trustees for debenture holders and fixed deposit holders.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company, its subsidiaries and associates and thanks them for yet another good year of performance.

On behalf of the Board of Directors,

**Sanjiv Bajaj**

Chairman

DIN: 00014615

Pune: 29 April 2025

## Dividend Distribution Policy

### Preamble:

The financial strategy of the Company, which encompasses the dividend policy, is primarily aimed at enhancement of long-term shareholder value and sustainable growth, in a way that the shareholders can participate equitably in the Company's growth, while maintaining a strong financial foundation for the Company.

### Objective:

The objective of this policy is to lay down the criteria to be considered by the Board of Directors of Bajaj Finance Limited ("the Company") before recommending dividend to its shareholders for a financial year. The policy is framed under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") as amended from time to time.

### Criteria to be considered before recommending dividend:

The Board will consider the following factors before recommending dividend:

#### Statutory and regulatory compliance:

The Company shall declare dividend only after ensuring compliance with guidelines on dividend declaration issued by the Reserve Bank of India (RBI) from time to time, provisions of the Companies Act, 2013 and rules made thereunder and the SEBI Listing Regulations, as amended from time to time.

#### Financial parameters:

The Board shall endeavour that the Dividend amount in every financial year will be stable and steady. Subject to profits and other financial parameters as per applicable legal provisions, the Board shall endeavour to maintain a dividend payout (including dividend distribution tax) in the range of 15% to 25% of profits after tax on standalone financials, to the extent possible.

#### Other internal and External Factors:

The dividend distribution will be subject to internal & external factors, such as, general, economic & market conditions, funding requirements for expansion, diversification, growth, new projects, brand/business acquisitions, long-term strategic plans, joint-venture plans, fresh investments in subsidiaries/associates, absorbing unfavourable market conditions, meeting unforeseen contingencies and other circumstances, which in the opinion of the Board, require retention of profits.

### Dividend declaration

Final dividend will be recommended by the Board for approval of the shareholders in a general meeting, while an interim dividend, if any, may be declared by the Board. The company currently has only one class of shares, i.e. equity shares.

### Amendments/Modifications:

To the extent any change/amendment is required in terms of any applicable law or change in regulations or any specific instructions from regulator, the regulations or specific instructions would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law. Such amended policy shall be placed before the Board for noting and necessary ratification.

### Review of Policy:

The dividend policy would be reviewed annually.

### Disclosure of Policy:

The policy will be available on the Company's website.

Place: Pune

Last reviewed on: 20 March 2025

Chairman

## Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended 31 March 2025

Name of director/Key Managerial Personnel	Ratio of remuneration of director to median remuneration of employees	% increase in remuneration in FY2025
<b>A. Whole-Time Directors</b>		
Rajeev Jain	387.99	10.50
Anup Saha	191.53	20.00
<b>B. Non-Executive Directors</b>		
Sanjiv Bajaj- Chairman	74.59	25.25
Rajiv Bajaj	4.13	No Change
Dr. Naushad Forbes	14.15	41.18
Anami N Roy	17.69	25.00
Pramit Jhaveri	18.87	39.13
Radhika Haribhakti	11.20	18.75
Dr. Arindam Bhattacharya	8.25	16.67
Tarun Bajaj	Refer Note <sup>®</sup>	Refer Note <sup>®</sup>
Ajay Kumar Choudhary	Refer Note <sup>®</sup>	Refer Note <sup>®</sup>
<b>C. Key Managerial Personnel</b>		
Sandeep Jain- Chief Financial Officer		16.50
R Vijay- Company Secretary		25.00
<b>D. % Increase in Median Remuneration of employees</b>		1.19
<b>E. Number of permanent employees on the rolls of the Company as on 31 March 2025</b>		61,271

<sup>®</sup> Not comparable since Tarun Bajaj and Ajay Kumar Choudhary have been appointed as an independent director of the Company w.e.f. 1 August 2024 and 1 February 2025 respectively.

### Notes:

- Remuneration payable to non-executive directors is based on the number of meetings of the Board and/or Committees attended by them during the year. The amount of commission payable to non-executive directors is fixed at ₹ 400,000/- per meeting. As approved by NRC and Board, Sanjiv Bajaj, is being compensated by way of additional commission of ₹ 3.70 crore, for the time and commitment devoted by him during the year, at the request of the Management.
- Remuneration to directors does not include sitting fees paid to them for attending Board and/or Committee meetings.
- The variation reflected in column % change in remuneration in FY2025 is on account of number of Board/ Committee meetings, attendance of directors thereat and change in Committee positions.

### Notes on Disclosures under Rule 5

- Average percentage increase in salary of employees other than Managing Director is 11.05%.
- Percentage increase in remuneration of managerial personnel has been determined based on independent benchmarking, performance of the Company and trends of remuneration in the industry.
- The remuneration paid as stated above was as per the Remuneration Policy of the Company.



## Secretarial audit report (Form No. MR-3)

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2025

To,  
The Members of  
**Bajaj Finance Limited**  
CIN: L65910MH1987PLC042961)  
Akurdi, Pune 411035

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Finance Limited** (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company, books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2025, according to the provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits And Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

- 6) Rules, regulations and guidelines issued by the Reserve Bank of India as are applicable to Deposit taking Non-Banking Financial Companies with classification as a 'Loan Company' (subsequently reclassification as 'NBFC - Investment and Credit Company (NBFC-ICC)' vide RBI circular dated 22 February 2019); which are specifically applicable to the Company;
- 7) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory And Development Authority of India (Registration Of Corporate Agents) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Directions, Guidelines, Standards, etc. mentioned above wherever applicable.

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Independent Director.

Adequate notice is given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, Rules, Regulations and Guidelines.

I further report that, during the period the Company has,

- i. allotted on 11 October 2024, 150 equity shares of ₹ 2/- each at a price of ₹ 110/- each issued on rights basis and kept in abeyance.
- ii. allotted on 05 February 2025, 882,182 equity shares of face value of ₹ 2 to the Trustees of BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009.
- iii. converted warrants issued to Bajaj Finserv Limited, promoter and holding company on 26 March 2025 and issued 15,50,000 equity shares.
- iv. allotted 28,72,754 Secured Non-Convertible Debentures amounting to ₹ 30,913 crore on Private Placement basis from time to time and complied with the rules and regulations under various Acts.
- v. issued Commercial Papers amounting to ₹ 44,270 crore from time to time and complied with the applicable rules and regulations under various Acts.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, and standards.

Place: Pune  
Date: 28 April 2025

**Shyamprasad D. Limaye**  
FCS 1587 CP 572  
UDIN: F001587G000220619

To,  
The Members,  
**Bajaj Finance Limited**  
Akurdi, Pune 411035

My Secretarial Audit Report for Financial Year ended on 31 March 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune  
Date: 28 April 2025

**Shyamprasad D. Limaye**  
FCS 1587 CP 572

## Secretarial audit report (Form No. MR-3)

[Pursuant to Section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2025

To,  
The Members of,  
**Bajaj Housing Finance Limited,**  
(CIN: L65910PN2008PLC132228)  
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,  
Akurdi, Pune-411035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Housing Finance Limited** (hereinafter called as "the Company"). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and subject to letter annexed herewith, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31st March, 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2025, according to the provisions of:

- 1) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended, regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended;
  - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

- 6) Rules, regulations, directions and guidelines issued by the Reserve Bank of India/National Housing Bank as are applicable to the Company;
- 7) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above, wherever applicable;

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period, the Company has:

- i. Allotted 1,10,74,19,709 equity shares of ₹ 10/- each at issue price of ₹ 18.06 on Right basis on 3 April 2024 aggregating to ~₹ 2,000 crore to Bajaj Finance Limited.
- ii. On 13 September 2024, the Company allotted 93,71,42,856 equity shares of ₹ 70/- per equity share (including a share premium of ₹ 60/- per equity share) amounting to ₹ 6,560.00 crore through Initial Public Offer comprising a fresh issue of 50,85,71,428 equity shares of the Company and 42,85,71,428 equity shares offered for sale by selling shareholder.
- iii. Allotted 15,94,500 units of Face Value of ₹ 1 lakh each and 11,000 units of Face Value of ₹ 10 lakh each Secured non-convertible debentures amounting to ₹ 17,045.00 crore (Face Value) on private placement basis from time to time and complied with the rules and regulations under various Acts. The Company has raised ₹ 252.00 crore towards Unsecured non-convertible debentures.
- iv. Issued Commercial Papers amounting to ₹ 3,550.00 crore (Face Value) from time to time and complied with the rules and regulations under various Acts.
- v. The equity shares of the Company were Listed on BSE Limited and National Stock Exchange of India Limited on 16 September 2024.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place: Pune  
Date: 23 April 2025

**Shyamprasad D. Limaye**  
FCS 1587 CP 572  
UDIN: F001587G000177831

To,  
The Members,  
**Bajaj Housing Finance Limited,**  
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,  
Akurdi, Pune -411 035.

My Secretarial Audit Report for the Financial Year ended on 31st March, 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune  
Date: 23 April 2025

**Shyamprasad D. Limaye**  
FCS 1587 CP 572



## Independent Auditor's Certificate on Corporate Governance

To,  
The Board of Directors,  
**Bajaj Finance Limited**  
Akurdi, Pune – 411 035

### Independent Auditor's Certificate of Corporate Governance for the year ended 31 March 2025 of Bajaj Finance Limited

1. This report is issued in accordance with the request received from Bajaj Finance Limited (the "Company") dated 23 April 2025.
2. We Kirtane & Pandit LLP, Chartered Accountants, are the Joint Statutory Auditors of Bajaj Finance Limited (the "Company") have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2025, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations").

### Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditors' Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. A limited assurance engagement includes performing procedures to examine examined the books of account and other relevant records and documents and obtain sufficient appropriate evidence that may vary in nature, timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express audit opinion.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information and Other Assurance and Related Services Engagements.
7. We have conducted verification of the supporting in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the "ICAI"), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable.

For the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

8. Our scope of work did not include verification of compliance with other requirements of the other circulars and notifications issued by regulatory authorities from time to time and any other laws and regulations applicable to the Company.
9. The procedures performed vary in nature and timing from, and are in less in extent than for, a reasonable assurance engagement. We have performed the following procedures in relation to the Statement:
  - a. Obtained the report on corporate governance and verified the details.
  - b. Obtained necessary representations from the Company's officials in respect of Information furnished in the report on Corporate Governance.
10. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

## Conclusion

11. Based on the procedures performed by us, as stated in paragraph 7 and 9 above and according to the information and explanations given to us and the Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management nothing has come to our attention that causes us to believe that the information contained in the Statement is not in compliance with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2025.

## Restriction on Use

12. The certificate is addressed and provided to the members of the Company solely for the purpose of complying with the requirement of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **KIRTANE & PANDIT LLP**  
(Chartered Accountants)  
Firm registration No: 105215W/W100057

**Suhas Deshpande**  
**Partner**

Membership No: 031787  
UDIN: 25031787BMNUGI6870

Date: 29 April 2025  
Place: Pune

## Certificate by practicing company secretary

[Pursuant to Schedule V read with Regulation 34(3) & Schedule V, Para C, Clause (10)(i) of SEBI (LODR) Regulations, 2015 (as amended)]

In the matter of **Bajaj Finance Ltd.** (CIN: **L65910MH1987PLC042961**) having its registered Office at Akurdi, Pune - 411035.

On the basis of examination of the books, minute books, forms, and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company.

I certify that the following persons are Directors of the Company (during 01 April 2024 to 31 March 2025) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority:

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Rahulkumar Bajaj	00014615	Chairman
2	Rajeev Jain	01550158	Managing Director
3	Rajivnayan Rahulkumar Bajaj	00018262	Non- Executive Director
4	Naushad Darius Forbes	00630825	Independent Director
5	Anami Narayan Prema Roy	01361110	Independent Director
6	Pramit Shashikant Jhaveri	00186137	Independent Director
7	Radhika Vijay Haribhakti	02409519	Independent Director
8	Anup Kumar Saha	07640220	Whole Time Director
9	Arindam Bhattacharya	01570746	Independent Director
10	Ajay Kumar Choudhary	09498080	Independent Director
11	Tarun Bajaj	02026219	Independent Director

Place: Pune  
Date: 28 April 2025

**Shyamprasad D. Limaye**  
FCS 1587 CP 572  
UDIN: F001587G000220641

# Annual Report on CSR activities for the financial year ended 31 March 2025

## 1. Introduction

The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility ('CSR') activities of the Group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities by taking sustainable initiatives in the areas of skilling, health, education, inclusion, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

In 2024, Bajaj Group companies came together to commit ₹ 5,000 crore over five years towards social impact programs, with the goal of impacting 2 crore individuals. This commitment is currently driving a wide range of ongoing initiatives, primarily focused on youth skilling for employment, income generation, and entrepreneurship. Efforts are also actively expanding to child specific programs in education, health, and protection, along with inclusion for persons with disabilities.

### Guiding principles:

The Bajaj Group believes that social investments should:

- **Benefit Generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for Self-Reliance and Growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote Health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for Self Help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.

## 2. Brief outline on Company's CSR Policy

In compliance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has in place a CSR Policy. The Policy was reviewed by the Board at its meeting held on 24 July 2024. The Policy, *inter alia*, covers the following:

- Philosophy, Approach & Direction
- Guiding Principles for selection, implementation and monitoring of activities
- Guiding Principles for formulation of Annual Action Plan

**3. Composition of CSR Committee:**

Sr. No.	Name of director	Category	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Naushad Forbes	Chairman, non-executive, independent	4	4
2.	Sanjiv Bajaj	Non-executive, non-independent	4	4
3.	Rajeev Jain	Executive, non-independent	4	3

**4. Web-link where the following are disclosed on the website of the Company:**

Composition of CSR Committee	<a href="https://www.aboutbajajfinserv.com/finance-people-and-committees-board-committees">https://www.aboutbajajfinserv.com/finance-people-and-committees-board-committees</a>
CSR Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-for-website-v3pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-for-website-v3pdf?scl=1&amp;fmt=pdf</a>
CSR projects approved by the Board	<a href="https://www.aboutbajajfinserv.com/finance-investor-relations-csr-projects">https://www.aboutbajajfinserv.com/finance-investor-relations-csr-projects</a>

**5. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable:**

Impact assessment has been carried out for 9 projects. The executive summaries are annexed to this report. The full report is hosted on Company's website and can be accessed at <https://www.aboutbajajfinserv.com/finance-csr-impact-assessment-reports>

- 6.** (a) Average net profit of the Company as per sub-section (5) of Section 135: ₹ 13,186.90 crore
- (b) Two percent of average net profit of the Company as per sub-section (5) of Section 135: ₹ 263.74 crore
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil
- (d) Amount required to be set-off for the financial year, if any: Nil
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 263.74 crore
- 7.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project: ₹ 250.95 crore
- (b) Amount spent on Administrative Overheads: ₹ 6.28 crore
- (c) Amount spent on Impact Assessment, if applicable: ₹ 0.27 crore
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 257.50 crore
- (e) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the financial year (in ₹)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-Section (5) of Section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
257.50	6.24	28 April 2025	-	-	-

(f) Excess amount for set-off, if any:

Sl. No.	Particular	Amount (₹ in crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the Company as per sub-section (5) of Section 135	263.74
(ii)	Total amount spent for the Financial Year	257.50
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	-
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
(v)	Amount available for set off in succeeding Financial Years [(iii)-(iv)]	-

**8. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:**

(₹ in crore)

Sr. No.	Preceding Financial Year(s)	Amount transferred to Unspent CSR Account under subsection (6) of Section 135	Balance Amount in Unspent CSR Account under subsection (6) of Section 135	Amount Spent in the Financial Year	Amount transferred to a Fund as specified under Schedule VII as per second proviso to subsection (5) of Section 135, if any		Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Amount	Date of Transfer		
1	FY2021-22	60.88	-	-	-	-	-	-
2	FY2022-23	20.87	-	-	-	-	-	-
3	FY2023-24	6.19	-	6.19	-	-	-	-

**9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: NA**

**10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per subsection (5) of Section 135:** Due to delay in commencement of project as compared to approved timelines, some part of the mandatory spend for an ongoing project has remained unspent as on 31 March 2025.

Sd/-

**Anup Saha**

Managing Director  
DIN: 07640220

Sd/-

**Dr. Naushad Forbes**

Chairman of CSR Committee  
DIN: 00630825



# ANNEXURE TO ANNUAL REPORT ON CSR ACTIVITES

Sr. No.	Company & Project No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ in Lakh)	Impact Assessment Agency	Impact	Weblinks where complete report is available
1	BFL- 10612	Grant Medical Foundation (Ruby Hall Clinic)	Bajaj Finserv Cyber Knife Centre	1 February 2023- 31 July 2023	2090	Give Grants	The project supported the installation and operationalization of state-of-the-art CyberKnife system. The system successfully treated 212 patients providing ₹ 34.5 lakhs worth of free treatment. The system has a tumor detection accuracy rate of 75% or higher, effectively minimising recurrence and improving survival rates. It offers a swift treatment response of 1 to 5 days, enhancing patient experience and minimising recovery time. A 40% reduction in recurring tumor growth was observed in the treated patients.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10612-grant-medical-found-bflpdf?sc1=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10612-grant-medical-found-bflpdf?sc1=1&amp;fmt=pdf</a>
2	BFL-10447	The Akanksha Foundation	The School Project	1 January 2022 – 31 March 2023	160	Think Through Consulting (TTC)	The school project supported 970 students in Matoshri English Medium School to provide high-quality, holistic education to students from underserved communities. After the intervention, 1.3% dropout rate was reported, significantly lower than the national secondary-level average of 12.6%. 71.7% of students correctly answered comprehension questions in assessments conducted. 90% of students attended career counselling sessions, reporting improved awareness of career options.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10447-the-akanksha-foundation-bflpdf?sc1=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10447-the-akanksha-foundation-bflpdf?sc1=1&amp;fmt=pdf</a>
3	BFL-10521	Paraplegic Rehabilitation Centre	Infrastructure Upgradation of Residential Block at Paraplegic Rehabilitation Centre.	1 July 2022 – 31 March 2023	149	Give Grants	The renovation of the residential block has significantly enhanced residents' independence, mobility, and overall well-being. All the residents confirmed that the deadlines were adhered to and the accessibility features significantly improved the functionality of the facility for both residents and staff. A heightened sense of safety was reported by all residents in the renovated D-Block.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10521-paraplegic-rehab-centre-bflpdf?sc1=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10521-paraplegic-rehab-centre-bflpdf?sc1=1&amp;fmt=pdf</a>
4	BFL-10495	Arpan	A multipronged approach to addressing child sexual Abuse	1 July 2022- 30 September 2023	200	CSRBOX	9350 children and 8000 teachers benefitted from the three programs of Arpan on Child Sexual Abuse (CSA). Caregivers demonstrated significant attitude shifts towards CSA, with support for sessions rising from 33% to 83% and awareness of CSA increasing from 8% to 75%. Additionally, 75% felt more confident discussing CSA with children and the community after the session. ARPAN engaged 11 schools for PSE sessions, reaching 602 caregivers and 1,861 children, and addressing 179 disclosure cases.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10495-arpan-bflpdf?sc1=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10495-arpan-bflpdf?sc1=1&amp;fmt=pdf</a>
5	BFL-10254	Seva Mandir	Early Childhood Care in Rural areas	1 July 2019 – 31 March 2023	300	CSRBOX	The project benefitted 1500 children in the age group of 0-5 yrs and 1200 women caregivers in Udaipur. Improvement in overall health, nutrition and education standards of children was observed. 92% of children had regular height checkups and 83% had consistent weight monitoring, ensuring effective growth tracking, however, 23% of children were identified as SAM but were not sent for treatment by parents mainly due to transportation and long stay issues.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10254-seva-mandir-bflpdf?sc1=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10254-seva-mandir-bflpdf?sc1=1&amp;fmt=pdf</a>

Sr. No.	Company & Project No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ in Lakh)	Impact Assessment Agency	Impact	Weblinks where complete report is available
6	BFL- 10159	Ummeed Child Development Center	Clinical sessions for children with developmental disabilities from low/mid socio-economic backgrounds	1 January 2018- 31 March 2021	591	Think Through Consulting (TTC)	The program provided clinical session services to 2,166 children dealing with developmental disabilities. 100% of the respondents noted improvements in their child's social and communication skills and agreed that the clinical sessions positively influenced child's physical and cognitive development. The program offered significant concessions ranging between 50% to 98% to the families for clinical sessions. 87% of the respondents rated the quality of services as excellent, emphasizing positive developmental progress in their children.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10159-ummeed-clinical-sessions-bfipdf?sci=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10159-ummeed-clinical-sessions-bfipdf?sci=1&amp;fmt=pdf</a>
7	BFL-10251	Can KIDS.. KIDS Can..	Can Kids AAC & CCC Programs	1 April 2019 – 31 December 2021	300	CSRBOX	The project strengthened 5 Cancer Hospitals Support Units (CHSU) and supported the treatment and formal education of 636 children in Maharashtra and 954 in Rajasthan. 52% parents found that their children were able to recover from cancer due to the treatment aid in Maharashtra. 84% parents actively sought and received nutritional support. 83% of families from Rajasthan and 59% from Maharashtra expressed that they would not have been able to afford the treatment in absence of CanKids.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10251-cankids-bfipdf?sci=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10251-cankids-bfipdf?sci=1&amp;fmt=pdf</a>
8	BFL- 10273	Child Rights and You (CRY)	Addressing Issues of Child Protection, Health & Nutrition	1 January 2020- 30 June 2022	946	impactDash	The project was implemented in 389 villages across 15 districts of Maharashtra and Rajasthan on the aspects of health & nutrition and education & protection. As a result of health intervention, 100% children were immunized and all identified malnourished children were given medical attention, specialized treatments. The education interventions suffered a setback due to Covid 19, however, 98% of children attended schools by the end of program period.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10273-cry-bfipdf?sci=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10273-cry-bfipdf?sci=1&amp;fmt=pdf</a>
9	BFL-10405	Jankidevi Bajaj Gram Vikas Sanstha	COVID Immunization for Bottom of Pyramid in Pune	1 November 2021 – 28 February 2022	463	CSRBOX	Under the program, 5,50,000 doses of Covishield vaccines were administered in Pune Municipal Corporation in 500+ vaccination sites across 15 talukas of Pune Zila Parishad.  The long-term health impact of the vaccination drive includes improved population health, long-term COVID-19 complications, and a stronger healthcare infrastructure.	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10405-jbgvs-bfipdf?sci=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/10405-jbgvs-bfipdf?sci=1&amp;fmt=pdf</a>