BAJAJ FINANCE

Independent Auditor's Report on the Consolidated Financial Statements

To the Members of **Bajaj Finance Limited**

Opinion

1. We have jointly audited the accompanying consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer note no. 2.5 to the consolidated financial statements), which comprise the consolidated balance sheet as at 31 March 2026, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2026 and consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for opinion

3. We conducted our joint audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group, and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
As at 31 March 2026, the outstanding balances of loans granted by the Company aggregated to ₹ 376,792.12 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 9,566.16 crore. The impairment loss allowance is determined in accordance with the Expected Credit Loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgement by the management in estimating the expected losses using components of ECL such as Probability of Default ('PD'), loss given default ('LGD') and exposure at default (Expected Balance at Default together with expected drawdown from committed lines) ('EAD'), staging of loans, etc.	The procedures performed by us included the following: • Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the: i. Assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, Staging of Loans, etc.; ii. Completeness and accuracy of source data used by the Management in the ECL computation; iii. Approval of changes to ECL methodology and models through the Company's governance framework; and iv. Computation of ECL.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Assessment of impairment loss allowance based on expected credit loss (ECL) on Loans (refer note no. 9 of the standalone financial statements)

Key audit matter	How our audit addressed the key audit matter
Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation. In view of the significant Management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.	• Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments'; • With the assistance of auditors' experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company; • Tested, on a sample basis, the completeness and accuracy of the source data used; • Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company; • Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions. As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company. Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year. The Company also upgraded its general ledger application during the year and migrated its data to the newer version. Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting. We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.	The procedures performed by us included the following: • Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting. • Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company. • On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains: i. Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured; ii. User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorise personnel; iii. Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS; and from legacy to newer version of its general ledger application;

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

Information Technology ('IT') Systems and Controls impacting Financial Reporting

Key audit matter	How our audit addressed the key audit matter
	iv. IT operations, which includes job scheduling, monitoring, data backup and recovery; v. Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS; and from legacy to newer version of its general ledger application. • Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/accounting procedures, interfaces, segregation of duties and system generated reports, as applicable. • Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/or performed alternative audit procedures, where necessary.

5. The following key audit matters was included in the audit report issued by the joint auditors, Singhi & Co. and Mukund M. Chitale & Co., of Bajaj Housing Finance Limited, a subsidiary of the Holding Company, vide their report dated 27 April 2026 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
Allowances for expected credit loss (ECL): Allowances for expected credit losses ('ECL'): As at 31 March 2026, the carrying value of loan assets aggregated ₹ 123,745.05 crore (net of allowance for expected credit loss ₹ 730.00 crore) constituting approximately 97% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on loan assets is a critical estimate involving greater level of Management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements. The elements of estimating ECL which involved increased level of audit focus are the following: • Qualitative and quantitative factors used in staging the loan assets; • Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends; • Judgements used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and	*Our audit approach:* We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures. Additionally, we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustments have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others: Testing the design and operating effectiveness of the following: • Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;

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<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>• Adjustments to model driven ECL results to address emerging trends. (refer note no. 3.3, 9 and 53(c) to the financial statements).</td><td>• Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio;
• Accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL model; and
Test of details on a sample basis in respect of the following:
• Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD;
• The mathematical accuracy of the ECL computation by using the same input data as used by the Company.
• Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed.
• Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Company.</td></tr>
<tr><td>Information technology (IT) systems and controls impacting financial controls:
The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated.
Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting.
Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.
We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, multiple systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process.</td><td>Our audit approach:
Key IT audit procedures performed included the following, but not limited to:
• For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit.
• Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.
• Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), computer operations (which includes testing of key controls pertaining to backup, incident management and data centre security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorised.
• In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested using various techniques such as inquiry, review of documentation/record/reports, observation, and re-performance.</td></tr>
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6. The following key audit matter was included in the audit report issued by the auditor, G.M. Kapadia & Co. of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, vide their report dated 27 April 2026 which are reproduced by us as under:

Key audit matter	How our audit addressed the key audit matter
IT Systems and Controls: Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company. Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.	We performed the following procedures on the IT infrastructure and applications relevant to financial reporting: We involved our IT specialists for assessment of the IT systems and controls over financial reporting; Understood General IT Controls over key financial accounting and reporting systems (referred to as 'in-scope systems') which covered access controls, program/system changes, program development and computer operations; Tested the design and operating effectiveness of the Company's IT access control over the information system that are important to financial reporting. Carried the test of controls with respect to the IT general controls This included testing that requests for access to systems were appropriately reviewed and authorised. Tested the Company's periodic review of access rights. Carried test of controls with respect to changes to systems for appropriate approval and authorisation.

Other information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the consolidated financial statements and our Auditor's Report thereon. The Annual Report is expected to be made available to us after the date of this Auditor's Report.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Responsibilities of Management and those charged with governance for the consolidated financial statements

8. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance, consolidated cash flows, and changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group, and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the respective companies or to cease operations, or has no realistic alternative but to do so.

10. The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the respective companies.

Auditor’s responsibilities for the audit of the consolidated financial statements

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

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

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to consolidated financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
    - Conclude on the appropriateness of Management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

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

Other matter

16. The financial statements of two subsidiaries, reflect total assets of ₹ 138,606.95 crore and net assets of ₹ 24,608.76 crore as at 31 March 2026, total revenue of ₹ 12,219.99 crore, total comprehensive income (comprising of profit and other comprehensive income) of ₹ 2,741.55 crore and net cash flows amounting to ₹ (5.03) crore for the year ended on that date, has been considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of profit and other comprehensive income) of ₹ 16.29 crore for the year ended 31 March 2026 as considered in the consolidated financial statements, in respect of 2 associates companies whose financial statements have not been audited by us. The financial statements of these subsidiaries and associates have been audited by other auditors whose reports have been furnished to us by the Holding Company's Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries, and associates and our report in terms of sub-section (3) of section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries, and associates, is based on the reports of the other auditors and the procedures performed by us.

    Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and reports of the other auditors.

Report on other legal and regulatory requirements

17. As required by paragraph 3(xxi) of the Companies (Auditor's Report) Order, 2020 ('CARO 2020'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we report that there are no qualifications or adverse remarks included in the CARO 2020 report issued by us in respect of the standalone financial statements of the Holding Company and by the respective auditors in their CARO 2020 reports issued in respect of the financial statements of the companies which are included in these consolidated financial statements.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

18. As required by section 143(3) of the Act, we report, to the extent applicable, that:

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

    (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2026 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiaries and associates incorporated in India, none of the directors of the Group companies and its associates incorporated in India is disqualified as on 31 March 2026 from being appointed as a director in terms of section 164(2) of the Act.

    (f) With respect to the adequacy of internal financial controls with reference to consolidated financial statements of the Holding Company, its subsidiaries and associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.

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

        i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates– refer note no. 43 to the consolidated financial statements.

        ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at 31 March 2026– refer note no. 7 and note no. 9 to the consolidated financial statements in respect of such items as it relates to the Group and its associates.

        iii. There has been no delay in transferring amounts required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries, and associates incorporated in India during the year.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

iv. (a) The respective Managements of the Holding Company and its subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, as disclosed in note no. 51 to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries/associates to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries/ associates ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The respective Managements of the Holding Company and its subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries/ associates respectively that, to the best of their knowledge and belief, as disclosed in the note no. 51 to the financial statements, no funds have been received by the Holding Company or any of such subsidiaries and associates from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries and associates shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us and those performed by the auditors of the subsidiaries/associates which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.

v. The dividend declared and paid by the Holding Company during the year in respect of the prior year ended 31 March 2025 is in accordance with section 123 of the Act to the extent it applies to declaration and payment of dividend. The interim dividend declared and paid by the Holding Company is in accordance with section 123 of the Act to the extent it applies to declaration and payment of interim dividend. Based on the audit report of statutory auditors of Bajaj Financial Securities Limited, a subsidiary of the Holding Company, the interim dividend declared and paid by Bajaj Financial Securities Limited is in accordance with section 123 of the Act.

Further, as stated in note no. 46 (iii) to the consolidated financial statements, the Board of Directors of the Holding Company have proposed final dividend for the year which is subject to approval of the members at the ensuing Annual General Meeting.

vi. Based on our examination, which included test checks and that performed by the respective auditors of the subsidiaries and associates which are companies incorporated in India whose financial statements have been audited under the Act, the Group, and its associates have used accounting software for maintaining their books of account which have a feature of recording audit trail (edit log) facility and that has operated throughout the year for all relevant transactions recorded in the software. During the course of our audit, we did not notice any instance of the audit trail feature being tampered with. Further, the audit trail has been preserved by the Group and its associates.

Independent Auditor's Report on the Consolidated Financial Statements (Contd.)

19. The Group and its associates incorporated in India have paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522RCUSWJ3710

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787IENQRL7513

Pune
29 April 2026

Annexure 'A' to Independent Auditor's Report

Referred to in paragraph 18(f) of the Independent Auditor's Report of even date to the members of Bajaj Finance Limited on the consolidated financial statements as of and for the year ended 31 March 2026.

Report on the internal financial controls with reference to consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Act

1. In conjunction with our joint audit of the consolidated financial statements of the Company as of and for the year ended 31 March 2026, we have audited the internal financial controls with reference to consolidated financial statements of Bajaj Finance Limited (hereinafter referred to as 'the Holding Company') and its subsidiaries and its associates, which are companies incorporated in India, as of that date.

Management's responsibility for internal financial controls

2. The respective Board of Directors of the Holding Company, its subsidiaries and its associates to whom reporting under clause (i) of sub section 3 of section 143 of the Act in respect of the adequacy of the internal financial controls with reference to consolidated financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of internal financial controls over financial reporting ('the Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's responsibility

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

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system with reference to consolidated financial statements.

Annexure 'A' to Independent Auditor's Report (Contd.)

Meaning of internal financial controls with reference to consolidated financial statements

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

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

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

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

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

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

Opinion

8. In our opinion, the Holding Company, its subsidiaries, and its associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at 31 March 2026, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Other matter

9. Our report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to two subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion is not modified in respect of this matter.

For Price Waterhouse LLP
Chartered Accountants
Firm Registration Number: 301112E/E300264

Sharad Agarwal
Partner
Membership Number: 118522
UDIN: 26118522RCUSWJ3710

Pune
29 April 2026

For Kirtane & Pandit LLP
Chartered Accountants
Firm Registration Number: 105215W/W100057

Suhas Deshpande
Partner
Membership Number: 031787
UDIN: 26031787IENQRL7513

Pune
29 April 2026

Consolidated Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
ASSETS			
Financial assets			
Cash and cash equivalents	5	1,896.90	3,642.46
Bank balances other than cash and cash equivalents	6	13,858.42	9,901.08
Derivative financial instruments	7	2,391.86	250.56
Trade receivables	8	1,908.08	1,913.11
Loans	9	498,943.54	407,844.14
Investments	10	30,577.80	34,440.84
Other financial assets	11	4,300.41	2,444.99
		553,877.01	**460,437.18**
Non-financial assets			
Current tax assets (net)		229.59	480.77
Deferred tax assets (net)	12	1,560.07	1,141.20
Property, plant and equipment	13	2,851.06	2,688.89
Capital work-in-progress	13	61.83	26.74
Intangible assets under development	13	57.58	14.55
Goodwill		3.27	3.27
Other intangible assets	13	1,092.23	1,088.01
Other non-financial assets	14	219.72	246.22
		6,075.35	**5,689.65**
Total assets		**559,952.36**	**466,126.83**
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	61.58	37.13
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		0.91	1.80
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,103.62	1,876.24
Other payables			
Total outstanding dues of micro enterprises and small enterprises		0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,173.47	930.49
Debt securities	16	193,131.90	154,639.73
Borrowings (other than debt securities)	17	170,642.53	132,102.25
Deposits	18	68,532.75	71,403.13
Subordinated liabilities	19	2,805.31	3,103.54
Other financial liabilities	20	2,796.16	1,948.20
		441,248.56	**366,042.93**

Consolidated Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March 2026	As at 31 March 2025
Non-financial liabilities			
Current tax liabilities (net)		260.24	100.63
Provisions	21	748.94	514.28
Other non-financial liabilities	22	709.08	532.10
		1,718.26	**1,147.01**
Equity			
Equity share capital	23	621.79	124.17
Other equity	24	113,377.23	96,568.70
Equity attributable to owners of the Company		**113,999.02**	**96,692.87**
Non-controlling interest	24	2,986.52	2,244.02
Total Equity		**116,985.54**	**98,936.89**
Total liabilities and equity		**559,952.36**	**466,126.83**
Summary of material accounting policies	3		

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

As per our report of even date

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

Sharad Agarwal
Partner
Membership number: 118522

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

Suhas Deshpande
Partner
Membership number: 031787

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026

Consolidated Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Revenue from operations			
Interest income	25	72,776.01	61,163.55
Fees and commission income	26	7,754.39	5,982.84
Net gain on fair value changes	27	471.24	539.03
Sale of services	28	15.71	27.13
Income on derecognised (assigned) loans	29	465.46	552.04
Other operating income	30	499.57	541.12
Total revenue from operations		**81,982.38**	**68,805.71**
Other income	31	7.12	41.27
Total income		**81,989.50**	**68,846.98**
Expenses			
Finance costs	32	28,665.95	24,769.75
Fees and commission expense	33	3,658.10	2,597.66
Impairment on financial instruments	34	9,481.85	7,088.23
Employee benefits expense	35	8,978.53	7,508.34
Depreciation and amortisation expenses	13	1,008.98	880.99
Other expenses	36	4,130.68	3,940.19
Total expenses		**55,924.09**	**46,785.16**
Share of profit/(loss) from associates		16.46	17.81
Profit before exceptional items and tax		**26,081.87**	**22,079.63**
Exceptional items	37	(265.22)	-
Profit before tax		**25,816.65**	**22,079.63**
Tax expense			
Current Tax			
Current year		6,874.08	5,664.86
Earlier years		0.08	(275.12)
Deferred tax (credit)/charge		(389.87)	(89.59)
Total tax expense	12	**6,484.29**	**5,300.15**
Profit after tax		**19,332.36**	**16,779.48**
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Remeasurement gains/(losses) on defined benefit plans		35.38	(24.85)
Tax impact on above		(8.91)	6.25
Net remeasurement gains/(losses) on defined benefit plans - Share of associates		(0.15)	(0.32)
Changes in fair value of fair value through OCI (FVOCI) equity instruments		(20.71)	(95.49)
Tax impact on above		2.95	25.22
Items that will be reclassified to profit or loss:			
Changes in fair value of FVOCI debt securities		(408.74)	140.79
Tax impact on above		102.88	(35.45)
Net Other adjustments - Share of associate		(0.02)	(0.10)
Cash flow hedge reserve		286.30	(117.14)
Tax impact on above		(72.06)	29.48
Cost of hedging reserve		14.84	5.99
Tax impact on above		7.72	(1.44)
Total other comprehensive income for the year (net of tax)		**(60.52)**	**(67.06)**
Total comprehensive income		**19,271.84**	**16,712.42**

Consolidated Statement of Profit and Loss (Contd.)

(₹ in crore)

Particulars	Note No.	For the year ended 31 March 2026	2025
Profit after tax attributable to			
Owner's of the Company		19,017.39	16,637.82
Non-controlling interest		314.97	141.66
Other comprehensive income attributable to			
Owner's of the Company		(58.20)	(67.80)
Non-controlling interest		(2.32)	0.74
Total comprehensive income attributable to			
Owner's of the Company		18,959.19	16,570.02
Non-controlling interest		312.65	142.40
Earnings per equity share:	38		
(Nominal value per share ₹ 1)			
Basic (₹)		30.60	26.89
Diluted (₹)		30.51	26.82
Summary of material accounting policies	3		

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

As per our report of even date

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

Sharad Agarwal
Partner
Membership number: 118522

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

Suhas Deshpande
Partner
Membership number: 031787

Pune: 29 April 2026

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Consolidated Statement of Changes in Equity

Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance at the beginning of the year	124.17	123.60
Changes in equity share capital during the year [refer note no. 23(a)]	497.62	0.57
Balance at the end of the year	**621.79**	**124.17**

Other equity

For the year ended 31 March 2026

(₹ in crore)

Particulars	Note No.	Reserves and surplus: Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Other comprehensive income on: Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve	Money received against share warrants	Total other equity	Non-controlling interests	Total
Balance as at 31 March 2025	24	**28,281.33**	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,568.70**	**2,244.02**	**98,812.72**
Profit after tax		-	19,017.39	-	-	-	-	-	-	-	-	-	-	-	19,017.39	314.97	19,332.36
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	26.32	(303.54)	(17.78)	214.24	22.56	-	(58.20)	(2.32)	(60.52)
		28,281.33	**70,800.05**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(139.52)**	**(188.48)**	**(37.97)**	**117.71**	**27.11**	**-**	**115,527.89**	**2,556.67**	**118,084.56**
Utilisation for issuance of bonus shares		(497.14)	-	-	-	-	-	-	-	-	-	-	-	-	(497.14)	-	(497.14)
Allotment of shares to ESOP Trust		348.60	-	-	-	-	-	-	-	-	-	-	-	-	348.60	-	348.60
Share issue expenses		(3.47)	-	-	-	-	-	-	-	-	-	-	-	-	(3.47)	-	(3.47)
Transfer on sale of FVOCI equity instrument (net of tax)		-	(6.48)	-	-	-	-	-	-	-	6.48	-	-	-	-	-	-
Adjustment for change of ownership interest in subsidiary without loss of control		-	960.45	-	-	-	-	-	-	-	-	-	-	-	960.45	423.61	1,384.06
Adjustment for movement in reserves for non-controlling interest		-	65.62	(20.22)	-	-	(47.82)	(3.82)	(0.02)	0.02	-	-	-	-	(6.24)	6.24	-
Transfer to reserve fund in terms of:																	
Section 45-IC(1) of the RBI Act, 1934		-	(3,562.00)	-	3,562.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(152.07)	152.07	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(360.00)	-	-	-	360.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(3,478.28)	-	-	-	-	-	-	-	-	-	-	-	(3,478.28)	-	(3,478.28)
Share based payment to employees		-	-	-	-	-	-	438.58	-	-	-	-	-	-	438.58	-	438.58
Transfer on exercise of stock options by employees		179.94	-	-	-	-	-	(179.94)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	4.70	-	(4.70)	-	-	-	-	-	-	-	-	-
		28,309.26	**64,267.29**	**687.88**	**17,129.75**	**796.99**	**1,113.08**	**1,200.81**	**(139.54)**	**(188.46)**	**(31.49)**	**117.71**	**27.11**	**-**	**113,290.39**	**2,986.52**	**116,276.91**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2026		218.12	-	-	-	-	-	-	-	-	-	-	-	-	218.12	-	218.12
Balance as at 31 March 2026	24	**28,396.10**	**64,267.29**	**687.88**	**17,129.75**	**796.99**	**1,113.08**	**1,200.81**	**(139.54)**	**(188.46)**	**(31.49)**	**117.71**	**27.11**	**-**	**113,377.23**	**2,986.52**	**116,363.75**

Consolidated Statement of Changes in Equity (Contd.)

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and surplus: Securities premium	Retained earnings	Reserve fund as per NHB Act	Reserve fund as per RBI Act	General reserve	Infrastructure reserve	Share options outstanding account	Remeasurement of defined benefit plans	Other comprehensive income on: Debt instruments through OCI	Equity instruments through OCI	Cash flow hedge reserve	Cost of hedging reserve	Money received against share warrants	Total other equity	Non-controlling interests	Total
Balance as at 31 March 2024	24	**26,582.00**	**37,080.41**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(147.06)**	**10.60**	**50.18**	**(8.87)**	**-**	**297.21**	**76,571.75**	**-**	**76,571.75**
Profit after tax		-	16,637.82	-	-	-	-	-	-	-	-	-	-	-	16,637.82	141.66	16,779.48
Other comprehensive income for the year (net of tax)		-	-	-	-	-	-	-	(18.78)	104.46	(70.37)	(87.66)	4.55	-	(67.80)	0.74	(67.06)
		26,582.00	**53,718.23**	**438.36**	**10,232.75**	**790.02**	**534.65**	**711.50**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**297.21**	**93,141.77**	**142.40**	**93,284.17**
Money received against share warrants		-	-	-	-	-	-	-	-	-	-	-	-	891.33	891.33	-	891.33
Issue of equity share capital		1,188.54	-	-	-	-	-	-	-	-	-	-	-	(1,188.54)	-	-	-
Allotment of shares to ESOP Trust		357.44	-	-	-	-	-	-	-	-	-	-	-	-	357.44	-	357.44
Share issue expenses		(0.12)	-	-	-	-	-	-	-	-	-	-	-	-	(0.12)	-	(0.12)
Adjustment for change of ownership interest in subsidiary without loss of control		-	4,011.19	-	-		-	-	-	-	-	-	-	-	4,011.19	2,099.10	6,110.29
Adjustment for movement in reserves for non controlling interest		-	47.28	(14.91)	-		(33.75)	(1.14)	-	-	-	-	-	-	(2.52)	2.52	-
Transfer to reserve fund in terms of:		-			-		-	-	-	-	-	-	-	-	-	-	-
Section 45-IC(1) of the RBI Act, 1934		-	(3,335.00)	-	3,335.00	-	-	-	-	-	-	-	-	-	-	-	-
Section 29C of the NHB Act, 1987		-	(132.58)	132.58	-	-	-	-	-	-	-	-	-	-	-	-	-
Section 36(1)(viii) of the Income Tax Act, 1961		-	(300.00)	-	-	-	300.00	-	-	-	-	-	-	-	-	-	-
Dividend paid		-	(2,226.46)	-	-	-	-	-	-	-	-	-	-	-	(2,226.46)	-	(2,226.46)
Share based payment to employees		-	-	-	-	-	-	393.97	-	-	-	-	-	-	393.97	-	393.97
Transfer on exercise of stock options by employees		151.37	-	-	-	-	-	(151.37)	-	-	-	-	-	-	-	-	-
Transfer on cancellation/expiry of stock options		-	-	-	-	2.27	-	(2.27)	-	-	-	-	-	-	-	-	-
		28,279.23	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,566.60**	**2,244.02**	**98,810.62**
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		307.06	-	-	-	-	-	-	-	-	-	-	-	-	307.06	-	307.06
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		304.96	-	-	-	-	-	-	-	-	-	-	-	-	304.96	-	304.96
Balance as at 31 March 2025	24	**28,281.33**	**51,782.66**	**556.03**	**13,567.75**	**792.29**	**800.90**	**950.69**	**(165.84)**	**115.06**	**(20.19)**	**(96.53)**	**4.55**	**-**	**96,568.70**	**2,244.02**	**98,812.72**

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

As per our report of even date

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

Sharad Agarwal
Partner
Membership number: 118522

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

Suhas Deshpande
Partner
Membership number: 031787

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

Pune: 29 April 2026

R Vijay
Company Secretary

Consolidated Statement of Cash Flows

(₹ in crore)

Particulars		For the year ended 31 March 2026	2025
(I)	**Operating activities**		
	Profit before tax	25,816.65	22,079.63
	Adjustments for:		
	Interest income	(72,776.01)	(61,163.55)
	Depreciation and amortisation expenses	1,008.98	880.99
	Impairment on financial instruments (Gross of recoveries)	10,281.50	7,966.03
	Net loss on disposal of property, plant and equipment and other intangible assets	18.34	35.50
	Finance costs	28,665.95	24,769.75
	Share based payment expenses	439.60	393.98
	Net gain on fair value changes	(471.24)	(539.03)
	Service fees for management of assigned portfolio of loans	(15.71)	(27.13)
	Income on derecognised (assigned) loans	(465.46)	(552.04)
	Dividend income	(1.14)	(1.28)
	Share of (profit)/loss from associate	(16.46)	(17.81)
		(7,515.00)	(6,174.96)
	Cash inflow from interest on loans	70,393.75	58,185.94
	Cash inflow from interest on investments	2,947.54	2,313.47
	Cash inflow from servicing of assigned loans	51.39	59.31
	Cash outflow towards finance cost	(25,946.79)	(22,420.31)
	Cash generated from operation before working capital changes	**39,930.89**	**31,963.45**
	Working capital changes:		
	(Increase)/decrease in bank balances other than cash and cash equivalents	(4,124.26)	(3,095.95)
	(Increase)/decrease in trade receivables	(52.03)	(206.31)
	(Increase)/decrease in loans	(103,794.27)	(89,988.25)
	(Increase)/decrease in investments classified as FVTPL	6,212.53	(1,429.16)
	(Increase)/decrease in other financial assets	736.52	531.57
	(Increase)/decrease in other non-financial assets	33.81	(116.70)
	(Increase)/decrease in derivative financial instruments (net)	105.12	56.54
	Increase/(decrease) in trade payables	226.49	(186.00)
	Increase/(decrease) in other payables	242.89	166.33
	Increase/(decrease) in other financial liabilities	724.18	(7.48)
	Increase/(decrease) in provisions	250.99	67.31
	Increase/(decrease) in other non-financial liabilities	178.19	38.08
		(99,259.84)	(94,170.02)
	Income tax paid (net of refunds)	(6,460.85)	(5,585.07)
	Net cash used in operating activities (I)	**(65,789.80)**	**(67,791.64)**
(II)	**Investing activities**		
	Purchase of property, plant and equipment and capital work-in-progress	(560.03)	(584.06)
	Purchase of other intangible assets and intangible assets under development	(401.07)	(497.76)
	Sale of property, plant and equipment and other intangible assets	65.25	36.39
	Purchase of investments measured at amortised cost	(59,340.07)	(27,461.88)
	Proceeds from liquidation of investments measured at amortised cost	59,446.67	27,624.23
	Purchase of investments classified as FVOCI	(44,831.64)	(31,594.18)
	Proceeds from liquidation of investments classified as FVOCI	42,440.11	29,745.96
	Purchase of equity investments designated under FVOCI	(308.14)	(35.00)
	Proceeds from sale of equity investments designated under FVOCI	99.15	-
	Dividend income	1.14	1.28
	Net cash used in investing activities (II)	**(3,388.63)**	**(2,765.02)**

Consolidated Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
(III) Financing activities		
Issue of equity share capital (including securities premium)	435.92	1,251.44
Issue of equity share capital of subsidiary (including securities premium)	2.81	-
Proceeds from dilution of stake in subsidiary (net of expenses and tax)	1,380.22	6,097.67
Share issue expenses	(3.47)	(0.12)
Dividends paid	(3,476.61)	(2,225.24)
Payment of lease liability	(242.53)	(214.57)
Deposits received (net)	(3,761.08)	10,527.22
Short-term borrowing availed (net)	11,884.78	8,787.63
Long-term borrowing availed	113,336.67	84,967.14
Long-term borrowing repaid	(52,123.84)	(39,026.56)
Net cash generated from financing activities (III)	**67,432.87**	**70,164.61**
Net increase/(decrease) in cash and cash equivalents (I+II+III)	**(1,745.56)**	**(392.05)**
Cash and cash equivalents at the beginning of the year	**3,642.46**	**4,034.51**
Cash and cash equivalents at the end of the year	**1,896.90**	**3,642.46**

- The above Statement of Cash Flows has been prepared under the indirect method as set out in Ind AS 7 'Statement of Cash Flows'.
- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short-term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan, repurchase agreement borrowings and triparty repo dealing and settlement. All other borrowings are considered as long-term borrowings.
- Total Income tax paid (net of refunds) amounted to ₹ 6,663.62 crore for the year ended 31 March 2026 (Previous year ₹ 5,947.90 crore).

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	2025
Cash and cash equivalents comprises of		
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,886.48	2,635.07
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,896.90	**3,642.46**

As per our report of even date

On behalf of the Board of Directors

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

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

Rajeev Jain
Vice Chairman &
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Agarwal
Partner
Membership number: 118522

Suhas Deshpande
Partner
Membership number: 031787

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026

1 Corporate information

Bajaj Finance Limited ('the Parent Company') (Corporate ID No.: L65910MH1987PLC042961), a subsidiary of Bajaj Finserv Limited, is a Company limited by shares, incorporated on 25 March 1987 and domiciled in India. The shares of the Parent Company and its subsidiary Bajaj Housing Finance Limited (BHFL) are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE), India. Further, various debt securities of the Company and its subsidiary, BHFL, are also listed on the Stock Exchanges. The Parent Company is mainly engaged in the business of lending. The Parent Company together with its subsidiaries (hereinafter collectively referred to as the 'Group') has a diversified lending portfolio across retail, SME and commercial customers with a significant presence in urban and rural India and provider of broking and depository participant services to its capital market clients. The Parent Company also accepts public and corporate deposits and offers a variety of financial services products to its customers. The Parent Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 4th floor, Bajaj Finserv Corporate Office, Pune, Maharashtra (India).

The Parent Company is a deposit taking Non-Banking Financial Company (NBFC) registered with the Reserve Bank of India (RBI) since 5 March 1998, with Registration No. A-13.00243 and classified as NBFC-Investment and Credit Company (NBFC-ICC) pursuant to circular DNBR (PD) CC.No.097/03.10.001/2018-19 dated 22 February 2019. The Parent Company and its subsidiary company Bajaj Housing Finance Limited are classified as NBFC-UL (upper layer) by the RBI.

2. Basis of preparation

2.1 Statement of compliance

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 (the Act) along with other relevant provisions of the Act, and the applicable extant RBI Regulations. The Group uses accrual basis of accounting in preparation of financial statements (other than Statement of Cash Flows).

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefit plans that are measured at fair value as required or allowed by relevant accounting standard.

The financial statements are prepared on a going concern basis, as the Management is satisfied that the Group shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The consolidated financial statements were subject to review and recommendation of the Audit Committee and approval of the Board of Directors. On 29 April 2026, the Board of Directors of the Company approved and recommended the consolidated financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2.2 Functional and presentation currency

The consolidated financial statements are presented in Indian Rupee (INR), which is also the functional currency of the Group, in denomination of crore with rounding off to two decimals as permitted by Schedule III to the Act except where otherwise indicated.

2.3 Presentation of financial statements

The Group presents its Balance Sheet in order of liquidity.

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

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

2 Basis of preparation (Contd.)

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

2.4 Material accounting estimates, judgements and assumptions:

The preparation of the Group's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies, the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities as at the reporting date and the reported amount of revenues and expenses during the year. Accounting estimates could change from period to period. In view of the inherent uncertainties and a level of subjectivity involved in measurement of items, it is possible that the outcomes in the subsequent financial years could differ from the Management's estimates and judgements. Revisions to accounting estimates are recognised prospectively.

Material accounting estimates and judgements used in various line items in the financial statements are as below:

- Business model assessment [refer note no. 3.3(i)(a) and 9]
- Impairment of financial assets [refer note no. 3.3(i), 9 and 49(c)]
- Provisions and contingent liabilities (refer note no. 3.7 and 43)
- Fair value of financial instrument (refer note no. 3.9 and 48)

2.5 Principles of consolidation

(i) The consolidated financial statements incorporate the financial statements of the Parent Company and all its subsidiaries (from the date control is gained), being the entities that it controls. The financial statements of subsidiaries are prepared for the same reporting year as the Parent Company. Where necessary, adjustments are made to the financial statements of subsidiaries to align the accounting policies in line with accounting policies of the Parent Company. Intragroup balances and transactions, and any unrealised income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements.

(ii) Investment in associates has been accounted under the Equity Method as per Ind AS 28 – 'Investment in Associates and Joint Ventures'.

The Group accounts for its share of post-acquisition changes in net assets of associates after eliminating unrealised profits and losses resulting from transactions between the Group and its associates.

(iii) The consolidated financial statements include results of the subsidiaries of Bajaj Finance Limited (Parent Company), consolidated in accordance with Ind AS 110 'Consolidated Financial Statements' and post acquisition change in net asset of associates in accordance with Ind AS 28 'Investment in Associates and Joint Ventures':

Name of the Company	Country of incorporation	Proportion of ownership as at reporting date	Consolidated as
Bajaj Housing Finance Limited (BHFL)	India	86.70%	Subsidiary
Bajaj Financial Securities Limited (Bfinsec)	India	100%	Subsidiary
Snapwork Technologies Private Limited	India	41.50%	Associate
Pennant Technologies Private Limited	India	26.53%	Associate

Figures for preparation of consolidated financial statements have been derived from the audited financial statements of the respective companies in the Group.

2 Basis of preparation (Contd.)

(iv) Disclosure in terms of Schedule III of the Companies Act, 2013

	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
Name of the entities in the Group	As a % of consolidated net assets	Amount (₹ in crore)	As a % of consolidated profit or loss	Amount (₹ in crore)	As a % of consolidated other comprehensive income	Amount (₹ in crore)	As a % of consolidated total comprehensive income	Amount (₹ in crore)
Parent								
Bajaj Finance Limited	78.98%	92,400.74	85.86%	16,599.71	64.14%	(38.98)	85.93%	16,560.73
Subsidiaries								
Bajaj Housing Finance Limited	16.64%	19,469.42	11.38%	2,199.28	27.81%	(16.90)	11.32%	2,182.38
Bajaj Financial Securities Limited	1.78%	2,085.97	1.04%	201.94	3.54%	(2.15)	1.04%	199.79
Non-controlling interest in all subsidiaries	2.55%	2,986.52	1.63%	314.97	3.82%	(2.32)	1.62%	312.65
Associates								
Snapwork Technologies Private Limited	0.02%	18.59	0.03%	5.43	0.36%	(0.22)	0.03%	5.21
Pennant Technologies Private Limited	0.02%	24.30	0.06%	11.03	0.33%	(0.20)	0.06%	10.83
	100.00%	116,985.54	100.00%	19,332.36	100.00%	(60.77)	100.00%	19,271.59

3. Summary of material accounting policies

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

3.1 Income

(i) Interest income

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

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is presented under interest income on investment.

Interest rebate for the timely payment of interest by borrowers is recognised once the full interest amount is received on time, adhering to the terms of the respective contract, and is netted against the corresponding interest income.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

(ii) Revenue from operations other than interest income

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from contracts with customers'.

(a) Fees and commission income

The Group recognises:

- Service and administration charges at point in time on completion of contracted service;
- Bounce charges at point in time on realisation, from customer at the time of default;
- Fees on value added services and products at point in time on delivery of services and products to the customer;
- Distribution income at point in time on completion of distribution of third-party products and services; and
- Income of loan foreclosure and prepayment at point in time when the event is concluded.

(b) Income on derecognised (assigned) loans

In direct assignment transactions, the Group recognises the excess interest spread (EIS) as the difference between the interest on the assigned loan portfolio and the rate agreed with the assignee. The Group records the discounted value of expected cash flow of the future EIS, entered with the assignee, upfront in the Statement of Profit and Loss with a corresponding receivable in Balance Sheet as 'Interest only strip receivable'. Any subsequent changes in the fair value of future EIS are recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial Instruments'.

(c) Other operating income

Other operating income is recognised on completion of service.

3.2 Expenditures

(i) Finance costs

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

(ii) Fees and commission expense

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

(iii) Employee benefit expenses- Share based payments

The Parent Company operates an equity settled share-based payment arrangement for its own employees as well as employees of its subsidiaries. The Parent Company determines the fair value of the employee stock options on the grant date using the Black-Scholes model. The cost of the share option is accounted for on a Straight-line basis over the respective vesting periods of the grant. The cost attributable to the services rendered by the employees of the Group is recognised as employee benefits expenses in profit or loss.

(iv) Other expenses

Expenses are recognised on accrual basis inclusive of goods and services tax for which input credit is not statutorily permitted.

3. Summary of material accounting policies (Contd.)

3.3 Financial instruments

Recognition of financial instruments

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments. For tradeable securities, the Group recognises the financial instruments on settlement date.

(i) Financial assets

Initial measurement

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

- Investment in associates which are recorded at cost as permissible under Ind AS 27 'Separate Financial Statements';
- Financial assets measured at FVTPL wherein transaction cost is charged to Statement of Profit and Loss; and
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) which are recorded at transaction price.

Subsequent measurement

For subsequent measurement, financial assets are classified into four categories as per the Group's Board approved polices:

(a) Debt instruments at amortised cost

(b) Debt instruments at FVOCI

(c) Equity/Debt instruments at FVTPL

(d) Equity instruments designated under FVOCI

The classification depends on the SPPI assessment based on contractual terms of the cash flows of the financial assets, and the business model assessment for managing financial assets. In case of equity instruments, it depends on the intention of the Group whether strategic or non-strategic. The said classification methodology is detailed below-

Solely payment of principal and interest (SPPI) assessment

In making this assessment, the Group considers whether the contractual cash flows represents sole payments of principal and interest. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition and interest represents the time value of money at an agreed contractual rate.

Business model assessment

The Group has a Board approved policy for determination of the business model. The policy consider whether the objective of the business model, at initial recognition, is to hold the financial asset only to collect its contractual cash flows or, to also sell the financial asset. The Group determines business model that best reflects how it manages groups of financial assets to achieve its business objective. The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios.

3. Summary of material accounting policies (Contd.)

a) Debt instruments at amortised cost

The Group measures its debt instruments at amortised cost if both the following conditions are met:

- The asset is held within a business model of collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are sole payments of principal and interest (SPPI) on the principal amount outstanding.

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

- Considering the economic viability of carrying the delinquent portfolios on the books of the Group, it may enter into immaterial/infrequent transactions to sell these portfolios to third parties.
- Assignment of non-NPA assets and sale of credit impaired assets which are infrequent, insignificant and below the threshold provided by the Management.

b) Debt instruments at FVOCI

The Group subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The Group measures debt instruments included within the FVOCI category at each reporting date at fair value with such changes being recognised in Other Comprehensive Income (OCI). The Group recognises interest income on these assets in Statement of Profit and Loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

On derecognition of the asset, the Group reclassifies cumulative gain or loss previously recognised in OCI to profit or loss.

c) Equity/Debt instruments at FVTPL

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

Gains and losses on changes in fair value of equity and debt instruments are recognised on net basis through profit or loss.

d) Equity instruments designated under FVOCI

Investments in equity instruments other than in subsidiaries and associates are measured at fair value.

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

All fair value changes of the aforesaid equity instruments are recognised in OCI. On sale of these investments, the Group transfers the realised gains/losses from OCI to retained earnings.

3. Summary of material accounting policies (Contd.)

Derecognition of financial assets

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

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

The financial assets transferred through the assignment route are derecognised to the extent of transferred portion as the Group neither has any continuing involvement in the same nor does it retain any control. On derecognition of a financial asset, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

The Group, based on economic viability of certain portfolios measured at amortised cost, may enter into infrequent and insignificant transactions of assignment and sale of non NPA portfolios within the threshold defined in business model policy which doesn't affect the business model of the Group.

In case of securitisation transactions by way of pass through certificate (PTC), the Group continues to retain the financial assets on the Balance Sheet and recognises a collateralised borrowing for the proceeds received.

Write-off

Financial assets are written off when the Group has no reasonable expectation of recovery or expected recovery is not significant basis experience. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write-off. However, financial assets that are written off could still be subject to enforcement activities under the Group's recovery procedures. Any recoveries made from written off assets are netted off from impairment on financial instrument in Statement of Profit and Loss account.

Impairment of financial assets - General approach

Expected credit losses ('ECL') are recognised for all financial assets except those classified as FVTPL and equity instruments as per the Board approved policy.

The Group follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed since inception are classified in 'stage 1' for which a 12 month ECL is recognised. Financial assets which have significant increase in credit risk since inception are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

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

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

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

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

(a) Credit impaired (stage 3)

The Group classifies a financial asset as credit impaired (stage 3) when one or more events indicate impairment in the recoverability of future cash flows. The assessment is based on relevant objective evidence, including the following:

- Contractual payments of principal and/or interest are overdue for more than 90 days.
- Where any loan account of a customer is stage 3, all other loan accounts of the same customer are classified as stage 3 and remain so until overdues across all accounts are fully cleared.
- Where any loan account of a customer has been written off or settled under a one time compromise settlement, all other active loan accounts of such customer are classified as stage 3 for 12 months from the date of such event. Thereafter, such accounts are upgraded to stage 1 only upon clearance of all arrears of principal and interest.
- Restructured loans, involving modification of contractual terms due to financial distress of the borrower, are classified as stage 3. Restructuring does not result in derecognition of the financial asset. Such loans are upgraded to stage 1 only if:
  - The restructured loan is not in default until repayment of at least 10% of the principal outstanding or completion of 12 months, whichever is later; and
  - No other loan account of the same customer is in default during this period.
- Loan accounts where a one time compromise settlement is offered or where recovery is pursued through repossession of security involving waiver of interest and/or principal are classified as stage 3.
- Loan is otherwise considered to be in default based on the Group's internal credit risk assessment or other objective evidence indicating unlikelihood of timely repayment.

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

The Parent Company and one of its subsidiary viz. Bfinsec considers loan accounts which are overdue for more than 1 day but up to 90 days as on the reporting date, whereas another subsidiary BHFL considers loan accounts which are overdue for more than 30 days but up to 90 days as on the reporting date, as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Group recognises stage 2 based on other indicators such as frequent delays in payments beyond due dates.

The measurement of risk of defaults under stage 2 is computed on homogenous portfolios, generally by nature of loans, tenors, location (urban/rural) and borrower profiles. The default risk is assessed using PD (probability of default) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the customer behavioural trends. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. The Group has ascertained default possibilities on past behavioural trends witnessed for each homogenous portfolio using behavioural analysis and other performance indicators, determined statistically.

(d) Measurement of ECL

The Group calculates ECL based on discounted present value of probability weighted scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive.

3. Summary of material accounting policies (Contd.)

It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model. Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a high correlation to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

The Group has calculated ECL using three main components: a probability of default (PD), a loss given default (LGD) and the exposure at default (EAD). ECL is calculated by multiplying the PD, LGD and EAD and adjusted for time value of money using a rate which is a reasonable approximation of EIR.

- Determination of PD is covered above for each stages of ECL.
- EAD represents the expected balance at default, taking into account the repayment of principal and interest from the Balance Sheet date to the date of default together with any expected drawdowns of committed facilities.
- LGD represents expected losses on the EAD in the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

The Group recalibrates above components of its ECL model on annual basis by using the available incremental and recent information, except where this information does not represent the future outcome. Further, the Group assesses changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

(e) Classification of ECL

ECL for financial assets measured at amortised cost is recognised in the Statement of Profit and Loss. For financial assets measured at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the Balance Sheet. Impairment loss pertaining to credit risk on such assets is reclassified immediately to the Statement of Profit and Loss.

(ii) Financial liabilities

Initial measurement

The Group recognises all financial liabilities initially at fair value adjusted for transaction costs that are directly attributable to the issue of financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to profit or loss. Generally, the transaction price is treated as fair value unless there are circumstances which prove to the contrary in which case, the difference, if material, is charged to profit or loss.

Subsequent measurement

The Group subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

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

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

3.4 Taxes

Income tax comprises current tax and deferred tax. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Current tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years.

Deferred tax is recognised for temporary differences between the accounting base of assets and liabilities in the Balance Sheet, and their tax bases. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

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

3.5 Property, plant and equipment and depreciation thereof

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

The Group provides for depreciation on a pro-rata basis, with reference to the month in which such asset is added or sold, for all tangible assets on straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Details of useful life is given in note no. 13.

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

3.6 Intangible assets and amortisation thereof

The Group measures intangible assets, representing softwares, licenses etc. initially at cost and subsequently at cost less accumulated amortisation and accumulated impairment, if any.

The Group recognises internally generated intangible assets when the Group is certain that intangible asset would support/result in furtherance of Group's existing and/or new business and cost of such intangible asset identifiable and reliably measurable. The cost of an internally generated intangible asset comprises of all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group.

All the intangible assets including those internally generated are amortised using the straight-line method over a period of five years, which is the Management's estimate of its useful life.

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

3.7 Provisions and contingent liabilities

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

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. The Group also discloses present obligations for which a reliable estimate cannot be made as a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3. Summary of material accounting policies (Contd.)

3.8 Leases

As a Lessee

The Group follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Group measures lease liability as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right-of-use assets

At the time of initial recognition, the Group measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Group's incremental cost of borrowing of similar tenure. Subsequently, right-of-use assets is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on right-of-use assets is provided on straight line basis over the lease period.

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Group recognises the lease payments associated with these leases as an expense over the lease term.

Modification of lease

Modification of lease due to change in scope or consideration or lease term requires remeasurement of lease liability.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

As a Lessor

The Group has leased vehicles and transferred substantially all the associated risks and rewards incidental to ownership. Consequently, these leases are categorised as finance leases.

Assets leased out under finance leases are recorded as finance lease receivables, equivalent to the net investment in the lease. The net investment is calculated by discounting the gross lease investment at the interest rate implicit in the lease. The principal portion of lease payments decreases the net investment in the lease, while interest portion is recorded in the Statement of Profit and Loss under Interest Income throughout the lease term. This recognition is based on a consistent periodic rate of return on the Group's net investment in the lease.

3.9 Fair value measurement

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 48.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

3. Summary of material accounting policies (Contd.)

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

3.10 Derivative financial instruments

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

The Parent Company designates its CCIRS, IRS and spot element of foreign exchange forward contract derivatives as cash flow hedges of a recognised liability and one of its subsidiary viz BHFL designates it IRS as fair value hedge of recognised liability. The Group recognises derivatives with a positive fair value as a financial asset and derivatives with a negative fair value as a financial liability.

Hedge accounting

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

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

Cash flow hedge

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

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

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

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

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

3. Summary of material accounting policies (Contd.)

Fair value hedge

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

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

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

4 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2026, MCA has notified following amendments to the existing standards applicable to the Group.

Ind AS 1 - Presentation of Financial Statements, applicable w.e.f. 1 April 2025

The amendment clarifies that the classification of liabilities as current or non-current depends on the rights that exist at the end of the reporting period. A liability is classified as non-current only if the entity has a substantive right to defer settlement for at least twelve months after the reporting period. Management expectations or subsequent events after the reporting date do not affect classification. The amendment relating to classification of liabilities has no material impact on the Group's financial statements.

Ind AS 7 - Statement of Cash Flows, applicable w.e.f. 1 April 2025

The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 12 - Income Taxes, applicable w.e.f. 1 April 2025

The amendment provides a temporary exception from recognition and disclosure of deferred taxes arising from Pillar Two income taxes and introduces related disclosure requirements. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 21 - The Effects of Changes in Foreign Exchange Rates, applicable w.e.f. 1 April 2025

The amendment specifies how an entity should determine the exchange rate when foreign currency cannot be obtained within a reasonable time and prescribes related disclosures. The Group has assessed the impact of this amendment and concluded that it has no material impact on the financial statements.

Ind AS 107 - Financial Instruments: Disclosures, applicable w.e.f. 1 April 2025

Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Group has reviewed the amendment and based on its evaluation has determined that it does not have any material impact on the financial statements.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

5 Cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Cash on hand	10.42	56.81
Balance with banks		
In current accounts	1,886.48	2,635.07
In fixed deposits (with original maturity of 3 months or less)	-	950.58
	1,896.90	3,642.46

Cash and cash equivalents include cash on hand, bank balances in current accounts and fixed deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

6 Bank balances other than cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Fixed deposits (with original maturity more than 3 months)*	13,645.69	9,757.72
Bank balance earmarked against unclaimed dividend	5.96	4.29
Escrow account balance	206.77	139.07
	13,858.42	9,901.08

*includes:

i. ₹ 2,117.12 crore (Previous year ₹ 1,969.01 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Parent Company towards maintenance of liquid assets as prescribed by RBI Act, 1934;

ii. ₹ 7,355.89 crore (Previous year ₹ 4,226.65 crore) lien marked to banks against overdraft facilities;

iii. ₹ 1,722.40 crore (Previous year ₹ 328.19 crore) fixed deposit under lien with stock exchanges for margin requirement;

iv. ₹ 496.11 crore (Previous year ₹ 489.88 crore) deposits with bank for bank guarantee;

v. ₹ 100.87 crore (Previous year ₹ 19.88 crore) pledged as lien on securtisation borrowing;

vi. ₹ 27.99 crore (Previous year ₹ 1.57 crore) deposits with exchange for trade; and

vii. ₹ 0.27 crore (Previous year ₹ 0.25 crore) deposits with the Pension Fund Regulatory & Development Authority.

7 Derivative financial instruments (at FVTPL)

(₹ in crore)

Particulars	As at 31 March 2026 Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-
Fair value hedge			
Interest rate swaps	3,500.00	-	61.58
Futures	292.64	6.70	-
	24,392.24	2,391.86	61.58

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

(₹ in crore)

Particulars	As at 31 March 2025 Notional amounts	Fair value asset	Fair value liability
Cash flow hedge			
Cross currency interest rate swaps	14,447.29	198.91	22.58
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-
Fair value hedge			
Interest rate swaps	2,350.00	41.22	-
Futures	262.40	0.02	0.45
Option purchased	588.71	7.35	-
Options sold (written)	270.03	-	11.15
	18,562.17	250.56	37.13

The Parent Company and one of its subsidiary viz. BHFL has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of currency, interest rate swaps and forward contracts. Such transactions are undertaken for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved. refer note no. 49(b) (iii) for foreign currency risk.

8 Trade receivables

(₹ in crore)

Particulars	As at 31 March 2026	2025
Considered good - unsecured		
Interest subsidy	1,184.43	922.70
Fees, commission and others	667.71	876.35
Service asset	66.40	123.02
	1,918.54	1,922.07
Less : Impairment loss allowance	10.46	8.96
	1,908.08	1,913.11

-No trade receivables are due from directors or other officers of the Group either severally or jointly with any other person.
-No trade receivables are due from firms or private companies respectively in which any director is a partner, a director or a member.
-The Group follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Trade receivables (gross) ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 6 months	6 months - 1 year	1-2 years	2-3 years	more than 3 years	Total
As at 31 March 2026								
(i) Undisputed Trade receivables – considered good	1,142.31	93.98	679.22	1.45	1.58	-	-	1,918.54
As at 31 March 2025								
(i) Undisputed Trade receivables – considered good	961.63	113.86	843.56	3.02	-	-	-	1,922.07

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Impairment loss allowance as at beginning of the year	8.96	5.19
Net increase/(decrease) during the year	1.50	3.77
Impairment loss allowance as at the end of the year	10.46	8.96

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

9 Loans

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	At amortised cost	**At fair value through OCI***	**Total**	**At amortised cost**	**At fair value through OCI***	**Total**
(A) Loans						
Term loans	482,325.34	25,944.20	508,269.54	345,415.84	68,936.10	414,351.94
Finance lease receivable	349.27	-	349.27	54.53	-	54.53
Credit substitutes#	624.88	-	624.88	420.03	-	420.03
	483,299.49	25,944.20	509,243.69	345,890.40	68,936.10	414,826.50
Less: Impairment loss allowance	10,113.90	186.25	10,300.15	6,625.53	356.83	6,982.36
Total - Net (A)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(B) Out of above						
(I) Secured by tangible assets						
Against hypothecation of automobiles, equipment's, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	287,632.19	25,944.20	313,576.39	180,170.64	68,936.10	249,106.74
Less: Impairment loss allowance	2,533.72	186.25	2,719.97	1,954.48	356.83	2,311.31
Total (I)	285,098.47	25,757.95	310,856.42	178,216.16	68,579.27	246,795.43
(II) Unsecured	195,667.30	-	195,667.30	165,719.76	-	165,719.76
Less: Impairment loss allowance	7,580.18	-	7,580.18	4,671.05	-	4,671.05
Total (II)	188,087.12	-	188,087.12	161,048.71	-	161,048.71
Total (B) = (I + II)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(C) Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	483,299.49	25,944.20	509,243.69	345,890.40	68,936.10	414,826.50
Less: Impairment loss allowance	10,113.90	186.25	10,300.15	6,625.53	356.83	6,982.36
Sub-total (ii)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
Total (I) = (i+ii)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	473,185.59	25,757.95	498,943.54	339,264.87	68,579.27	407,844.14

* The net value is the fair value of these loans

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

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

-Prior to the RBI guidelines pertaining to maintenance of Principal Business Criteria (PBC), one of the subsidiary viz. BHFL used to assign home loans to external partners as part of its treasury strategy. Considering the significant change in the regulatory requirement (PBC) on increasing the home loans as proportion to the total assets, BHFL reassessed the requirement for change in the business model for its home loan portfolio. BHFL had done insignificant amount of assignment transactions for its home loan portfolio in order to retain home loan portfolio as part of total assets, necessitated purely due to the change in regulatory landscape, applicable for BHFL, to continue to be classified as a Housing Finance Company, thereby leading to a change in the business model.

-BHFL reassessed its business model of collecting cash flows for home loan portfolio from 'Hold to collect and sell' to 'Hold to collect' and consequently, with effect from 1 April 2025, has reclassified such loan balances (gross) amounting to ₹ 54,128.76 crore from FVOCI to amortised cost.

9 Loans (Contd.)

Loan details

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Total gross loan	512,711.39	417,467.61
Less: EIR impact	3,467.70	2,641.11
Total for gross term loan net of EIR impact	509,243.69	414,826.50

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	499,358.88	4,766.02	5,118.79	509,243.69	405,457.84	5,403.92	3,964.74	414,826.50
Less: Impairment loss allowance	5,088.43	2,155.04	3,056.68	10,300.15	3,103.43	1,748.67	2,130.26	6,982.36
Net carrying amount	494,270.45	2,610.98	2,062.11	498,943.54	402,354.41	3,655.25	1,834.48	407,844.14
Impairment loss allowance as a percentage of gross carrying amount	1.02%	45.22%	59.71%	2.02%	0.77%	32.36%	53.73%	1.68%

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

(₹ in crore)

Particulars	For the year ended 31 March 2026							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36
Transfers during the year								
transfers to stage 1	447.88	109.30	(380.21)	(82.76)	(67.67)	(26.54)	-	-
transfers to stage 2	(4,278.38)	(115.34)	4,302.17	127.76	(23.79)	(12.42)	-	-
transfers to stage 3	(7,825.44)	(252.71)	(3,741.57)	(1,378.29)	11,567.01	1,631.00	-	-
	(11,655.94)	(258.75)	180.39	(1,333.29)	11,475.55	1,592.04	-	-
Impact of changes in credit risk	-	1,333.69	-	1,864.89	-	9,832.04	-	13,030.62
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(160,023.76)	(1,533.67)	(1,789.20)	(638.24)	(3,045.41)	(2,534.03)	(164,858.37)	(4,705.94)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	265,580.74	2,443.73	970.91	513.01	1,887.17	1,199.63	268,438.82	4,156.37
Amounts written off during the year	-	-	-	-	(9,163.26)	(9,163.26)	(9,163.26)	(9,163.26)
As at 31 March 2026	499,358.88	5,088.43	4,766.02	2,155.04	5,118.79	3,056.68	509,243.69	10,300.15

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

9 Loans (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March 2025							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03
Transfers during the period								
transfers to stage 1	418.66	97.37	(315.65)	(57.09)	(103.01)	(40.28)	-	-
transfers to stage 2	(4,679.06)	(88.48)	4,705.91	102.50	(26.85)	(14.02)	-	-
transfers to stage 3	(7,306.08)	(183.52)	(2,660.98)	(923.82)	9,967.06	1,107.34	-	-
	(11,566.48)	(174.63)	1,729.28	(878.41)	9,837.20	1,053.04	-	-
Impact of changes in credit risk	-	593.19	-	1,397.76	-	8,063.85	-	10,054.80
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(120,373.61)	(1,137.11)	(1,785.40)	(486.92)	(2,895.45)	(2,395.53)	(125,054.46)	(4,019.56)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	212,890.50	1,576.50	1,449.10	526.41	1,270.44	866.61	215,610.04	2,969.52
Amounts written off during the year	-	-	-	-	(7,063.43)	(7,063.43)	(7,063.43)	(7,063.43)
As at 31 March 2025	405,457.84	3,103.43	5,403.92	1,748.67	3,964.74	2,130.26	414,826.50	6,982.36

- Details of the methodology used for ECL is covered in the 'credit risk' section of note no. 49.

Finance lease disclosure

The Company has entered into a lease arrangements for vehicles and equipments as a lessor. These are accounted as finance lease as material risks and rewards are transferred to the lessee. The tenor of these leases ranges from 6 months to 84 months (Previous year 12 months to 60 months). The contracted interest rate ranges from 8.70% to 12.07% p.a. (previous year 10.25% to 11.50% p.a.)

The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows-

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Undiscounted lease payments due		
Within 12 months	118.84	16.66
After 12 months	306.27	51.40
Total undiscounted lease payments receivable	425.11	68.06
Less: Unearned finance income	75.84	13.53
Gross finance lease receivable	349.27	54.53
Less: Impairment loss allowance	2.93	0.35
Net finance lease receivable	346.34	54.18

10 Investments

(₹ in crore)

Particulars			As at 31 March 2026	As at 31 March 2025
(A)	**At amortised cost**			
	In pass through certificates (PTC)		88.09	194.63
			88.09	194.63
	Less: Impairment loss allowance		0.35	0.78
	Total (A)		87.74	193.85
(B)	**At fair value through other comprehensive income**			
	(i)	In Government securities	25,371.09	22,297.91
		Add: Fair value gain/(losses)	(253.11)	150.34
		Sub-total (i)	25,117.98	22,448.25
		Includes carrying value of (a) ₹ 4,397.51 crore (Previous year ₹ 4,651.84 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934, (b) ₹ 6,272.06 crore (Previous year ₹ 3,930.77 crore) utilised for Repurchase Agreement borrowing (Repo) transaction, (c) ₹ 10,125.02 crore (Previous year ₹ 13,270.90 crore) pledged for triparty repo dealing and settlement (TREPs), and (d) ₹ 272.78 crore (Previous Year ₹ 199.31 crore) kept as margin for securities segment with Clearing Corporation of India Limited (CCIL).		
	(ii)	In equity instruments		
		Equity shares (Quoted)	341.26	446.89
		Add: Fair value gain/(losses)	(180.70)	(129.90)
			160.56	316.99
		Equity shares (Unquoted)	593.79	318.16
		Add: Fair value gain/(losses)	140.38	106.46
			734.17	424.62
		Compulsorily convertible preference shares	32.50	-
		Add: Fair value gain/(losses)	3.70	-
			36.20	-
		Sub-total (ii)	930.93	741.61
	(iii)	In Certificate of deposits	1,934.45	2,740.25
		Add: Fair value gain/(losses)	(1.22)	4.18
		Sub-total (iii)	1,933.23	2,744.43
	(iv)	In Commercial papers	1,378.88	925.96
		Add: Fair value gain/(losses)	0.55	0.42
		Sub-total (iv)	1,379.43	926.38
	(v)	In Non convertible debentures	-	212.83
		Add: Fair value gain/(losses) (Previous year ₹ 40,836)	-	
		Sub-total (v)	-	212.83
	Total (B) = (i+ii+iii+iv+v)		29,361.57	27,073.50

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

10 Investments (Contd.)

(₹ in crore)

Particulars	As at 31 March 2026	2025
(C) At fair value through profit or loss		
(i) In mutual funds	420.23	5,246.86
Add: Fair value gains/(losses)	(28.98)	17.45
Sub-total (i)	391.25	5,264.31
Includes carrying value of (i) ₹ Nil (Previous year ₹ Nil) under lien with Indian Clearing Corporation Limited for margin requirement (ii) ₹ 5.92 crore (Previous year ₹ 5.57 crore) pledged in favour of National Securities Depository Limited (NSDL) as money margin.		
(ii) In Government securities	79.16	1,245.43
Add: Fair value gains/(losses)	(0.78)	0.06
Sub-total (ii)	78.38	1,245.49
includes ₹ Nil (Previous year ₹ 25.22 crore) pledged for TREPs and ₹ 24.86 crore (Previous Year ₹ Nil) kept as margin for securities segment with CCIL.		
(iii) In equity shares	312.91	280.07
Add: Fair value gains/(losses)	(69.55)	(23.19)
Sub-total (iii)	243.36	256.88
Includes carrying value of ₹ 242.31 crore (Previous year ₹ 0.01 crore) pledged in favour of ICCL for margin requirement.		
(iv) In Infrastructure investment trust (Invit) units	20.00	20.00
Add: Fair value gains/(losses)	(7.60)	-
Sub-total (iv)	12.40	20.00
Total (C) = (i+ii+iii+iv)	725.39	6,786.68
D At cost		
Investment in associate	403.10	386.81
Total (D)	403.10	386.81
Total (A+B+C+D)	30,577.80	34,440.84

(₹ in crore)

Particulars	As at 31 March 2026	2025
Out of above		
In India	30,577.80	34,440.84
Outside India	-	-
	30,577.80	34,440.84

Impairment allowance recognised on investments is ₹ Nil (Previous year ₹ Nil) except for investments measured at amortised cost.

Reconciliation of impairment loss allowance on investments measured at amortised cost

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Impairment loss allowance as at beginning of the year	0.78	1.43
Net increase/(decrease) during the year	(0.43)	(0.65)
Impairment loss allowance as at the end of the year	0.35	0.78

10 Investments (Contd.)

Details of equity instruments (quoted) designated under FVOCI derecognised during the year:

(₹ in crore)

Name of the Company	FY 2025-26 No. of shares de-recognised	FY 2025-26 Average purchase price per share (₹)	FY 2025-26 Average fair valuation as on de-recognition (₹)	FY 2025-26 Cumulative loss on de-recognition (₹ in crore)*
RBL Bank Limited	3,009,504	351	326.65	(7.54)

*net of selling expenses

Cumulative loss (net of tax) on sale of these shares has been transferred from other comprehensive income to retained earnings. The Group had no such transaction in the previous financial year.

11 Other financial assets

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Security deposits	207.95	136.23
Margin with exchanges	47.42	164.26
Advances to dealers	15.28	52.63
Credit cover under Government guarantee schemes	2,676.54	1,108.74
Receivable from debt management agencies	214.55	216.72
Receivable from online payment aggregators and gateways	60.74	92.51
Interest only strip receivable	677.77	474.58
Receivable from assignment servicing partners	309.68	136.65
Others	95.83	69.01
	4,305.76	2,451.33
Less : Impairment loss allowance	5.35	6.34
	4,300.41	2,444.99

Reconciliation of impairment loss allowance on other financial assets

(₹ in crore)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Impairment loss allowance as at beginning of the year	6.34	3.59
Net increase/(decrease) during the year	(0.99)	2.75
Impairment loss allowance as at the end of the year	5.35	6.34

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

12 Income taxes

(A) Current tax

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

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Profit before tax	25,816.65	22,079.63
At corporate tax rate of 25.17% (Previous year: 25.17%)	6,494.20	5,555.40
Current tax adjustment with respect to earlier years*	(0.24)	(275.12)
Impact of income taxed at different rates	2.87	1.06
Tax on expenditure not considered for tax provision (net of allowance)*	119.14	96.78
Deduction under section 36(1)(viii) of the Income tax Act, 1961#	(90.60)	(75.51)
Tax benefit on additional deductions	(41.08)	(2.46)
Tax expense (Effective tax rate of 25.117%, Previous year 24.005%)	6,484.29	5,300.15

*In the previous year, the Group had re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Group had reversed tax expense for earlier years and reduced the current tax provision.

The Group has decided not to use special reserve that was formed and kept for the specified purposes under section 36(1)(viii) of the Income tax Act, 1961. Since there is no temporary difference, there is no need to recognise any deferred tax liability. Therefore, the remaining deferred tax liability as of 31 March 2023 has been reversed in the current financial year with a credit to the Statement of Profit and Loss.

(B) Deferred tax assets (net)

Movement in Deferred tax asset/(liability)

For the financial year 2025-26

(₹ in crore)

Particulars	Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2026
(a) Deferred tax asset					
Property, plant and equipment and intangible assets	2.38	0.91	-	-	3.29
Remeasurements of employee benefits	125.41	89.58	(8.91)	-	206.08
Expected credit loss	1,155.86	373.26	-	-	1,529.12
Cash flow hedge reserve	32.48	-	(32.48)	-	-
Right-of-use assets	247.88	71.76	-	-	319.64
Changes in fair value on debt instruments at FVTPL	3.54	9.24	2.07	-	14.85
Changes in fair value on equity instruments designated under FVOCI	3.36	-	1.88	-	5.24
Changes in fair value on debt instruments designated under FVOCI	-	-	0.40	-	0.40
Cost of hedging reserve	-	-	6.28	-	6.28
Other temporary differences	17.61	16.55	-	(2.51)	31.65
Gross deferred tax assets (a)	1,588.53	561.30	(30.76)	(2.51)	2,116.56

12 Income taxes (Contd.)

(₹ in crore)

Particulars	Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2026
(b) Deferred tax liabilities					
Property, plant and equipment and intangible assets	(39.49)	4.21	-	-	(35.28)
Service asset and interest only strip receivable on assigned loans	(150.41)	(36.89)	-	-	(187.30)
Changes in fair value on debt instruments at FVTPL	(4.23)	4.23	-	-	-
Changes in fair value on debt instruments designated under FVOCI	(32.36)	(68.16)	100.41	-	(0.11)
Cost of hedging reserve	(1.44)	-	1.44	-	-
Lease liability	(219.32)	(63.49)	-	-	(282.81)
Cash flow hedge reserve	-	-	(39.58)	-	(39.58)
Other temporary differences	(0.08)	(11.33)	-	-	(11.41)
Gross deferred tax liabilities (b)	(447.33)	(171.43)	62.27	-	(556.49)
Deferred tax assets/(liabilities), net (a+b)	1,141.20	389.87	31.51	(2.51)	1,560.07

For the financial year 2024-25

(₹ in crore)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2025
(a) Deferred tax asset					
Property, plant and equipment and intangible assets	1.46	0.92	-	-	2.38
Remeasurements of employee benefits	102.50	16.66	6.25	-	125.41
Expected credit loss	984.73	171.13	-	-	1,155.86
Cash flow hedge reserve	3.00	-	29.48	-	32.48
Right-of-use assets	181.10	66.78	-	-	247.88
Changes in fair value on debt instruments at FVTPL	-	3.54	-	-	3.54
Changes in fair value on equity instruments designated under FVOCI	-	-	3.36	-	3.36
Changes in fair value on debt instruments designated under FVOCI	0.20	-	(0.20)	-	-
Other temporary differences	6.76	0.74	-	10.11	17.61
Gross deferred tax assets (a)	1,279.75	259.77	38.89	10.11	1,588.53

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

12 Income taxes (Contd.)

(₹ in crore)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in other equity	Balance as at 31 March 2025
(b) Deferred tax liabilities					
Property, plant and equipment and intangible assets	(29.85)	(9.64)	-	-	(39.49)
Service asset and Interest only strip receivable on assigned loans	(44.20)	(106.21)	-	-	(150.41)
Changes in fair value on debt instruments at FVTPL	(5.07)	0.84	-	-	(4.23)
Changes in fair value on equity instruments designated under FVOCI	(21.86)	-	21.86	-	-
Changes in fair value on debt instruments designated under FVOCI	(0.18)	3.07	(35.25)	-	(32.36)
Cost of hedging reserve	-	-	(1.44)	-	(1.44)
Lease liability	(161.16)	(58.16)	-		(219.32)
Other temporary differences	-	(0.08)	-	-	(0.08)
Gross deferred tax liabilities (b)	(262.32)	(170.18)	(14.83)	-	(447.33)
Deferred tax assets/(liabilities), net (a+b)	1,017.43	89.59	24.06	10.11	1,141.20

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

For the financial year 2025-26

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2025	Addition	Deductions/ Adjustments	As at 31 March 2026	As at 1 April 2025	Deductions/ Adjustments	For the Year	As at 31 March 2026	As at 31 March 2026
Property, plant and equipment (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	263.60	-	-	263.60	77.26	-	3.71	80.97	182.63
Computers and data processing units	674.83	204.03	89.88	788.98	309.39	59.88	145.95	395.46	393.52
Office equipment	431.94	76.03	33.29	474.68	257.60	19.47	65.69	303.82	170.86
Furniture and fixtures	339.81	41.09	11.24	369.66	154.33	8.57	40.95	186.71	182.95
Vehicles	522.29	165.74	70.31	617.72	151.88	36.26	95.77	211.39	406.33
Leasehold improvements	340.78	29.59	5.78	364.59	245.12	5.16	24.05	264.01	100.58
Sub-total (i)	2,846.56	516.48	210.50	3,152.54	1,195.58	129.34	376.12	1,442.36	1,710.18
Right-of-use (f)									
Right-of-use - Premises (e)	1,609.08	398.00	102.38	1,904.70	580.99	91.95	280.83	769.87	1,134.83
Right-of-use - Server	29.59	-	-	29.59	19.77	-	3.77	23.54	6.05
Sub-total (ii)	1,638.67	398.00	102.38	1,934.29	600.76	91.95	284.60	793.41	1,140.88
Sub-total (iii=i+ii)	**4,485.23**	**914.48**	**312.88**	**5,086.83**	**1,796.34**	**221.29**	**660.72**	**2,235.77**	**2,851.06**
Other intangible assets (d)									
Computer softwares	1,025.88	211.46	26.52	1,210.82	472.59	21.00	188.17	639.76	571.06
Internally generated software	760.23	146.54	-	906.77	225.51	-	160.09	385.60	521.17
Sub-total (iv)	**1,786.11**	**358.00**	**26.52**	**2,117.59**	**698.10**	**21.00**	**348.26**	**1,025.36**	**1,092.23**
Total (v=iii+iv)	**6,271.34**	**1,272.48**	**339.40**	**7,204.42**	**2,494.44**	**242.29**	**1,008.98**	**3,261.13**	**3,943.29**

13 (A) Property, plant and equipment and other intangible assets (Contd.)

For the financial year 2024-25

(₹ in crore)

Particulars	Gross block				Depreciation and amortisation				Net block
	As at 1 April 2024	Addition	Deductions/ Adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ Adjustments	For the Year	As at 31 March 2025	As at 31 March 2025
Property, plant and equipment (a)									
Freehold land (b) (e)	273.31	-	-	273.31	-	-	-	-	273.31
Buildings (c) (e)	263.60	-	-	263.60	73.59	-	3.67	77.26	186.34
Computers and data processing units	562.93	199.23	87.33	674.83	248.10	63.36	124.65	309.39	365.44
Office equipment	342.65	109.33	20.04	431.94	213.96	18.04	61.68	257.60	174.34
Furniture and fixtures	299.58	56.98	16.75	339.81	130.32	13.33	37.34	154.33	185.48
Vehicles	373.16	193.03	43.90	522.29	96.11	22.44	78.21	151.88	370.41
Leasehold improvements	312.25	42.52	13.99	340.78	229.02	13.85	29.95	245.12	95.66
Sub-total (i)	2,427.48	601.09	182.01	2,846.56	991.10	131.02	335.50	1,195.58	1,650.98
Right-of-use (f)									
Right-of-use - Premises (e)	1,336.22	391.82	118.96	1,609.08	432.29	114.79	263.49	580.99	1,028.09
Right-of-use - Server	37.48	1.89	9.78	29.59	19.47	3.79	4.09	19.77	9.82
Sub-total (ii)	1,373.70	393.71	128.74	1,638.67	451.76	118.58	267.58	600.76	1,037.91
Sub-total (iii=i+ii)	**3,801.18**	**994.80**	**310.75**	**4,485.23**	**1,442.86**	**249.60**	**603.08**	**1,796.34**	**2,688.89**
Other intangible assets (d)									
Computer softwares	911.19	258.94	144.25	1,025.88	424.98	120.58	168.19	472.59	553.29
Internally generated software	517.89	242.34	-	760.23	115.79	-	109.72	225.51	534.72
Sub-total (iv)	**1,429.08**	**501.28**	**144.25**	**1,786.11**	**540.77**	**120.58**	**277.91**	**698.10**	**1,088.01**
Total (v=iii+iv)	**5,230.26**	**1,496.08**	**455.00**	**6,271.34**	**1,983.63**	**370.18**	**880.99**	**2,494.44**	**3,776.90**

(a) See note no. 3.5

(b) Represents share in undivided portion of land on purchase/construction of office premises

(c) Includes cost of shares in co-operative society ₹ 500 (Previous year ₹ 500)

(d) See note no. 3.6

(e) Title deeds of all immovable properties and lease agreements for all the leased premises are held in the name of the Group.

(f) See note no. 3.8

(g) The Parent Company had mortgaged one of its offices in Chennai having carrying value of ₹ 4.32 crore as on 31 March 2026 (Previous year ₹ 4.42 crore) on pari passu charge against specific secured NCDs.

Depreciation and amortisation

Depreciation and amortisation is provided using straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation and amortisation on addition to assets and assets sold during the year is being provided from/up to the month in which such asset is added or sold as the case may be.

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

Nature of assets	Useful life adopted by the Group
Building	60 years
Computers and data processing units	
End user machines	4 years*
Servers and networks	6 years
Office equipment	
Soundbox device	2 years*
Point of sale machine	4 years*
Air conditioner#	8 years*
Other office equipment's	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
All other furniture and fixtures	10 years
Vehicles	6 years*
Leasehold improvements#	Lease tenure or 9 years, whichever is less
Intangible assets including those internally generated	License tenure or 5 years, whichever is less

* Evaluated useful life is different from Schedule II of Companies Act, 2013.

The Parent Company has changed estimated useful life of air conditioners and leasehold Improvements from 5 years to 8 years and from 5 years to lease tenure or 9 years, whichever is less, respectively. Had the Company applied the estimates followed in the previous year, the profit before tax for the period would had been lower by ₹ 14.84 crore.

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

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

13 (B) Capital work-in-progress, intangible assets under development

The Group discloses property, plant and equipment that are not ready for use as Capital work-in-progress. These are carried at cost, comprising direct cost and related incidental expenses. Intangible assets not ready for their intended use on the date of Balance Sheet are disclosed as 'Intangible assets under development'.

Capital work-in-progress

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening balance	26.74	25.35
Additions	70.86	74.01
Deductions/Adjustments	35.77	72.62
Closing balance	61.83	26.74

Ageing for capital work-in-progress

(₹ in crore)

Particulars	As at	Amount for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 March 2026	39.91	5.16	2.33	14.43	61.83
Projects in progress	31 March 2025	9.99	2.15	1.33	13.27	26.74

Intangible assets under development

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening balance	12.98	18.11
Additions	405.59	496.04
Deductions/Adjustments	360.99	499.60
Closing balance	57.58	14.55

Ageing for intangible assets under development

(₹ in crore)

Particulars	As at	Amount for a period of: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	31 March 2026	57.00	0.58	-	-	57.58
Projects in progress	31 March 2025	14.55	-	-	-	14.55

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

14 Other non-financial assets

(₹ in crore)

Particulars	As at 31 March 2026	2025
Capital advances	14.36	5.84
Deposits against appeals	86.29	40.50
Advances to suppliers and others*	119.07	199.88
	219.72	246.22

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

15 Payables

(₹ in crore)

Particulars	As at 31 March 2026	2025
(I) Trade payables		
Total outstanding dues of micro enterprises and small enterprises#	0.91	1.80
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,103.62	1,876.24
	2,104.53	1,878.04
(II) Other payables*		
Total outstanding dues of micro enterprises and small enterprises#	0.33	0.42
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,173.47	930.49
	1,173.80	930.91

* Includes payable towards employee performance incentives and capital goods

#Based on and to the extent of the information received by the Group from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as per section 22 of MSMED Act, 2006 as at the year-end are furnished below:

(₹ in crore)

Particulars	As at 31 March 2026	2025
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	1.24	2.22
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	82.93	36.65
Interest paid to suppliers under MSMED Act (section 16)	0.80	0.42
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act (since paid)	-	-

Trade Payables ageing

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment: Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2026							
(i) MSME	0.91	-	-	-	-	-	0.91
(ii) Others	235.57	1,245.08	540.51	82.29	0.01	0.16	2,103.62
	236.48	1,245.08	540.51	82.29	0.01	0.16	2,104.53
As at 31 March 2025							
(i) MSME	1.27	-	0.53	-	-	-	1.80
(ii) Others	267.45	925.74	632.99	49.90	-	0.16	1,876.24
	268.72	925.74	633.52	49.90	-	0.16	1,878.04

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

16 Debt securities

(₹ in crore)

Particulars	As at 31 March 2026	2025
(A) At amortised cost		
Redeemable non-convertible debentures		
Secured and fully paid*	150,354.47	118,284.62
Unsecured and partly paid	1,491.33	2,641.49
Unsecured and fully paid	8,060.00	6,253.19
	159,905.80	127,179.30
Commercial papers - Unsecured	33,226.10	27,460.43
	193,131.90	154,639.73
(B) Out of above		
In India	193,131.90	154,639.73
Outside India	-	-
	193,131.90	154,639.73

* All the secured non-convertible debentures of the Company and one of its subsidiary viz. BHFL including those issued during year ended 31 March 2026 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Additionally, the Company had mortgaged one of its offices in Chennai on pari passu charge against specific secured NCDs issued till November 2020. The Company and one of its subsidiary viz. BHFL has, at all times, for the secured non-convertible debentures, maintained sufficient asset cover as stated in the respective information memorandum towards the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 3,500 crore (Previous year ₹ 500 crore). The total outstanding as on 31 March 2026 is ₹ 3,500 crore (Previous year ₹ 2,350 crore).

(C) Terms of repayment of non convertible debentures (NCDs)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	2025
Redeemable at par					
INE296A07FV8	9.05%	07-Apr-15	07-Apr-25	-	170.00
INE377Y07276	5.75%	21-Sep-21	21-Apr-25	-	330.00
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	-	1,317.00
INE377Y07326	7.65%	21-Jul-22	21-Jul-25	-	1,050.00
INE296A07SB3	7.38%	08-Aug-22	08-Aug-25	-	1,575.00
INE377Y07334	7.42%	18-Nov-22	12-Aug-25	-	1,000.00
INE377Y07334	7.42%	12-Aug-22	12-Aug-25	-	625.00
INE377Y07334	7.42%	14-Oct-22	12-Aug-25	-	475.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	-	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	-	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	-	5,100.00
INE377Y07391	7.83%	14-Dec-22	12-Dec-25	-	725.00
INE296A07RO8	6.00%	24-Dec-20	24-Dec-25	-	681.00
INE296A07QS1	8.95%	09-Jan-19	08-Jan-26	-	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	-	300.00
INE377Y07466	8.00%	16-Feb-24	16-Feb-26	-	1,000.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	-	1,795.00
INE377Y07375	7.92%	09-Nov-22	16-Mar-26	-	390.00
INE377Y07375	7.92%	24-Mar-23	16-Mar-26	-	475.00
INE377Y07375	7.92%	13-Apr-23	16-Mar-26	-	2,000.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	As at 31 March 2025
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	-	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	-	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	-	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	-	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	500.00
INE377Y07425	7.78%	26-May-23	26-May-26	2,600.00	2,600.00
INE296A07LG7	8.65%	04-Jul-16	03-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	500.00
INE377Y07490	7.98%	09-Jul-24	09-Sep-26	1,520.00	1,520.00
INE296A07MO9	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	08-Jan-27	1,625.00	1,625.00
INE377Y07441	8.04%	18-Jan-24	18-Jan-27	1,000.00	1,000.00
INE377Y07557	7.14%	02-May-25	26-Feb-27	1,000.00	-
INE296A07TG0	7.72%	10-Dec-24	26-Mar-27	1,000.00	1,000.00
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	1,980.00
INE377Y07300	7.70%	23-May-22	21-May-27	1,346.00	1,346.00
INE296A07RZ4	7.70%	07-Jun-22	07-Jun-27	1,581.00	1,581.00
INE296A07TK2	7.23%	28-Apr-25	28-Jun-27	1,000.00	-
INE377Y07482	8.10%	08-May-24	08-Jul-27	3,000.00	3,000.00
INE377Y07581	6.90%	12-Jun-25	12-Aug-27	1,000.00	-
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	2,815.00
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE377Y07383	7.98%	18-Nov-22	18-Nov-27	500.00	500.00
INE296A07TF2	7.80%	09-Oct-24	10-Dec-27	1,750.00	1,750.00
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE377Y07615	6.95%	13-Oct-25	28-Jan-28	1,000.00	-
INE296A07TT3	7.31%	12-Feb-26	11-Feb-28	500.00	-
INE377Y07532	7.66%	20-Dec-24	20-Mar-28	2,175.00	2,175.00
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE377Y07417	7.90%	28-Apr-23	28-Apr-28	500.00	500.00
INE377Y07565	7.02%	26-May-25	26-May-28	2,335.00	-
INE296A07SN8	7.73%	07-Jun-23	07-Jun-28	500.00	500.00
INE296A07TJ4	7.38%	17-Apr-25	26-Jun-28	6,275.00	-
INE296A07TM8	7.11%	08-Jul-25	10-Jul-28	1,500.00	-
INE377Y07599	6.97%	17-Jul-25	17-Jul-28	1,000.00	-
INE377Y07433	7.85%	01-Sep-23	01-Sep-28	1,350.00	1,350.00
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07TN6	7.07%	30-Jul-25	21-Sep-28	1,750.00	-
INE377Y07607	7.10%	16-Sep-25	16-Oct-28	3,000.00	-
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07TP1	7.24%	12-Sep-25	12-Dec-28	1,350.00	-
INE377Y07623	7.25%	22-Jan-26	22-Jan-29	1,000.00	-
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE296A07TV9	7.40%	20-Feb-26	12-Mar-29	1,000.00	-
INE377Y07474	8.05%	08-May-24	08-May-29	1,500.00	1,500.00

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	As at 31 March 2025
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	4,777.20
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	4,852.00
INE296A08870	8.06%	04-Oct-16	04-Oct-29	365.00	365.00
INE377Y07524	6.83%	17-Oct-24	17-Oct-29	1,500.00	1,500.00
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	2,858.40
INE296A07TI6	7.57%	03-Apr-25	03-Apr-30	3,000.00	-
INE377Y07573	7.08%	12-Jun-25	12-Jun-30	3,500.00	-
INE296A07TL0	7.38%	28-Apr-25	28-Jun-30	4,765.00	-
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07TQ9	7.37%	29-Sep-25	27-Sep-30	4,015.00	-
INE296A07RN0	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07TU1	7.55%	20-Feb-26	20-Feb-31	1,500.00	-
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,719.50	2,483.00
INE377Y07284	7.25%	29-Oct-21	29-Oct-31	571.00	571.00
INE296A07RW1	7.15%	02-Dec-21	02-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	06-Jun-17	07-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	08-Sep-22	08-Sep-32	327.00	327.00
INE377Y07359	7.89%	08-Sep-22	08-Sep-32	500.00	500.00
INE377Y07367	7.84%	23-Sep-22	23-Sep-32	500.00	500.00
INE377Y07409	8.04%	09-Feb-23	09-Feb-33	750.00	750.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00
INE296A08961	9.11%	06-Nov-18	02-Nov-33	4,575.00	4,575.00
INE296A07TS5	7.65%	27-Oct-26	27-Jan-34	1,024.00	-
INE296A07SV1	7.82%	08-Feb-24	31-Jan-34	7,995.00	7,995.00
INE296A07SU3	7.87%	08-Feb-24	08-Feb-34	1,887.30	1,887.30
INE377Y07458	7.80%	09-Feb-24	09-Feb-34	1,500.00	1,500.00
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	02-May-24	02-May-34	2,360.50	2,360.50
INE377Y07508	7.89%	15-Jul-24	14-Jul-34	4,000.00	4,000.00
INE296A07TE5	7.70%	04-Oct-24	04-Oct-34	750.00	750.00
INE377Y07516	7.56%	04-Oct-24	04-Oct-34	1,750.00	1,750.00
INE296A07TS5	7.65%	27-Jan-26	27-Jan-35	1,024.00	-
INE377Y08118	8.00%	31-Jan-20	07-Feb-35	-	105.00
INE377Y08118	8.00%	29-Jan-21	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-22	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-23	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-24	07-Feb-35	-	105.00
INE377Y08118	8.00%	31-Jan-25	07-Feb-35	-	105.00
INE377Y08134	8.00%	31-Jan-20	07-Feb-35	750.00	-
INE377Y08126	7.70%	13-Mar-20	09-Mar-35	-	147.00

16 Debt securities (Contd.)

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	As at 31 March 2025
INE377Y08126	7.70%	12-Mar-21	09-Mar-35	-	147.00
INE377Y08126	7.70%	11-Mar-22	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-23	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-24	09-Mar-35	-	147.00
INE377Y08126	7.70%	13-Mar-25	09-Mar-35	-	147.00
INE377Y08142	7.70%	13-Mar-20	09-Mar-35	1,050.00	-
INE296A07TH8	7.55%	03-Apr-25	03-Apr-35	4,240.00	-
INE377Y07540	7.50%	09-Apr-25	09-Apr-35	1,500.00	-
INE296A08987/ INE296A08995	7.99%	01-Jun-22	01-Jun-35	1,400.00	1,050.00
INE296A07TR7	7.45%	15-Oct-25	15-Oct-35	500.00	-
INE296A07TS5	7.65%	27-Jan-26	27-Jan-36	3,072.00	-
Redeemable at premium					
INE296A07RY7	6.42%	18-Feb-22	18-Feb-26	-	906.00
				153,510.00	122,460.50
Interest accrued				6,515.12	4,822.82
Impact of EIR (including premium and discount on NCD)				(101.49)	(147.31)
Fair value gain/(loss) on NCD hedged through interest rate swap				(17.83)	43.29
				159,905.80	127,179.30

-Includes partly paid NCD on which amount to be called is ₹ 350 crore in June 2026

Out of above NCD having put option are as under:

(₹ in crore)

ISIN	Coupon rate	Put option date	As at 31 March 2026	As at 31 March 2025
INE296A07SL2	7.75%	15-May-26	2,075.00	2,075.00
INE296A07SV1	7.82%	07-Feb-27	7,995.00	7,995.00
			10,070.00	10,070.00

(D) Terms of repayment of commercial papers

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Redeemable at par with original maturity up to 1 year		
- Due within 1 year	33,124.38	27,426.99
Impact of EIR	101.72	33.44
	33,226.10	27,460.43

-Interest rate ranges from 6.36% to 8.20% p.a as at 31 March 2026 (Previous year 7.45% to 8.05% p.a)

-As at 31 March 2026, face value of commercial paper is ₹ 33,827 crore (Previous year ₹ 27,925 crore)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

17 Borrowings (other than debt securities)

(₹ in crore)

Particulars		As at 31 March 2026	As at 31 March 2025
(A)	**In India**		
	At amortised cost:		
	Term loans from banks	97,333.65	78,311.25
	Term loans from Developement Financial Institutions	8,280.91	6,533.36
	Term loan from National Housing Bank (NHB)#	10,340.88	8,372.40
	Cash credit/Overdraft facility	5,791.97	3,783.79
	Working capital demand loans	4,272.67	2,367.58
	Triparty repo dealing and settlement (TREPs) against Government securities	8,636.93	11,676.78
	Repurchase agreement borrowings (Repo)	6,350.75	3,929.78
	Securitisation liabilities*	6,767.80	1,753.68
		147,775.56	116,728.62
	Outside India		
	External commercial borrowing (ECB)**	22,866.97	15,373.63
		22,866.97	15,373.63
(B)	**Out of above**		
	Secured (Against loans, book debts and other receivables)	169,241.45	130,652.72
	Unsecured	1,401.08	1,449.53
		170,642.53	132,102.25

#All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 3,789.34 crore during the year ended 31 March 2026 (Previous Year ₹ 2,893.75 crore) against eligible individual Housing loans under various refinance schemes.

*Represents associated liabilities in respect of securitisation transactions. The outstanding value is proceeds received from the trust which is net of Investment in Pass-through Certificates by the group.The Group has provided additional external credit enhancement to the trust by way of cash collateral.

**External commercial borrowing is denominated in foreign currency and secured against book debts.

-The Group has not been declared as Wilful Defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof under the RBI guidelines on wilful defaulters.

(C) Terms of repayment of term loans from banks and development financial institutions as at 31 March 2026

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Monthly										
Up to 3 years	120	603.13	64	224.17	34	93.89	-	-	218	921.19
Over 3 to 4 years	120	615.54	120	542.82	106	503.93	12	103.16	358	1,765.45
Quarterly										
Up to 3 years	10	341.68	8	116.64	-	-	-	-	18	458.32
Over 3 to 4 years	92	2,210.70	78	1,645.07	62	1,112.87	30	660.94	262	5,629.58
Over 4 years	172	2,875.43	149	2,375.23	137	1,665.23	218	2,332.74	676	9,248.63
Half yearly										
Up to 3 years	10	816.33	4	199.67	2	84.00	-	-	16	1,100.00
Over 3 to 4 years	22	1,668.16	10	675.89	4	106.25	-	-	36	2,450.30
Over 4 years	225	14,060.59	248	14,540.58	198	11,183.42	345	13,982.08	1,016	53,766.67

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

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Yearly										
Up to 3 years	4	174.60	4	224.60	3	100.80	-	-	11	500.00
Over 3 to 4 years	4	267.32	4	266.32	4	266.36	-	-	12	800.00
Over 4 years	10	1,355.00	20	1,788.33	21	1,688.33	33	3,616.67	84	8,448.33
On maturity (Bullet)										
Up to 3 years	14	9,250.00	5	2,565.00	1	500.00	-	-	20	12,315.00
Over 3 to 4 years	-	-	2	1,500.00	2	1,000.00	-	-	4	2,500.00
Over 4 years	1	500.00	2	2,200.00	-	-	1	3,000.00	4	5,700.00
Interest accrued	-	13.88	-	-	-	-	-	-	-	13.88
Impact of EIR										(2.79)
										105,614.56

-Interest rate ranges from 5.25 % p.a. to 8.05 % p.a. as at 31 March 2026

(C) Terms of repayment of term loans from banks and development financial institutions as at 31 March 2025

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Monthly										
Up to 3 years	72	422.50	48	320.63	-	-	-	-	120	743.13
Quarterly										
Up to 3 years	6	291.68	10	341.68	8	116.64	-	-	24	750.00
Over 3 to 4 years	48	1,643.75	40	1,365.63	26	800.00	12	269.69	126	4,079.07
Over 4 years	121	2,281.13	111	2,368.97	81	1,759.38	127	1,926.53	440	8,336.01
Half yearly										
Up to 3 years	5	333.33	8	733.33	2	116.67	-	-	15	1,183.33
Over 3 to 4 years	20	1,568.14	20	1,568.18	8	575.89	2	6.25	50	3,718.46
Over 4 years	147	9,285.56	191	13,304.02	166	11,454.56	258	13,596.12	762	47,640.26
Yearly										
Up to 3 years	1	50.00	1	75.00	1	125.00	-	-	3	250.00
Over 3 to 4 years	-	-	-	-	-	-	-	-	-	-
Over 4 years	12	1,130.00	12	1,580.00	13	1,413.22	20	1,805.00	57	5,928.22
On maturity (Bullet)										
Up to 3 years	8	6,300.00	2	550.00	3	650.00	-	-	13	7,500.00
Over 3 to 4 years	1	499.74	-	-	2	1,500.00	-	-	3	1,999.74
Over 4 years	-	-	1	500.00	2	2,200.00	-	-	3	2,700.00
Interest accrued	-	16.62	-	-	-	-	-	-		16.62
Impact of EIR										(0.23)
										84,844.61

-Interest rate ranges from 6.61 % p.a. to 8.80 % p.a. as at 31 March 2025

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

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

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

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	12	4,272.00	7	2,366.27
Interest accrued		0.67		1.31
	12	4,272.67	7	2,367.58

-Interest rate ranges from 6.50% p.a to 8.20% p.a as at 31 March 2026 (Previous year 7.11% p.a to 9.30% p.a)

(E) Terms of repayment of TREPs

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	18	8,636.93	28	11,676.78
	18	8,636.93	28	11,676.78

-Interest rate ranges from 5.95% p.a to 6.77% p.a as at 31 March 2026 (Previous year 6.00% p.a to 6.99% p.a)

(F) Terms of repayment of term loan from NHB as at 31 March 2026

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	156	1,140.34	208	1,520.43	208	1,520.43	801	6,159.68	1,373.00	10,340.88
										10,340.88

Interest rate ranges from 4.25 % p.a. to 8.35 % p.a. as at 31 March 2026.

Terms of repayment of term loan from NHB as at 31 March 2025

	Residual maturity of loans									
	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 years		Total	
Original maturity of loan	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Quarterly										
More than 4 years	111	883.30	148	1,177.73	148	1,177.73	651	5,133.64	1,058	8,372.40
										8,372.40

-Interest rate ranges from 5.25 % p.a. to 8.45 % p.a. as at 31 March 2025

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

(G) Terms of repayment of external commercial borrowing

Particulars	As at 31 March 2026 Total no. of instalments	As at 31 March 2026 ₹ in crore	As at 31 March 2025 Total no. of instalments	As at 31 March 2025 ₹ in crore
Due within 1 year				
Original maturity over 2 to 3 years	5	4,022.81	-	-
Original maturity over 3 years	4	2,839.63	-	-
Due in 1 to 2 year				
Original maturity over 2 to 3 years	11	9,465.43	5	3,637.21
Original maturity over 3 years	1	711.26	4	2,567.44
Due in 2 to 3 year				
Original maturity over 2 to 3 years	5	5,829.19	11	8,558.14
Original maturity over 3 years	-	-	1	641.06
Interest Accrued		58.99		34.80
Impact of EIR		(60.34)		(65.02)
	26	22,866.97	21	15,373.63

-Contracted Interest rate ranges from 4.60% p.a to 4.94% p.a as at 31 March 2026 (Previous year 5.30% p.a to 5.61% p.a)

-Interest rate ranges from 7.17% p.a to 8.11% p.a post effective hedge as at 31 March 2026 (Previous year 7.47% to 8.11% p.a)

(H) Terms of repayment of repo borrowing

Particulars	As at 31 March 2026 Total no. of instalments	As at 31 March 2026 ₹ in crore	As at 31 March 2025 Total no. of instalments	As at 31 March 2025 ₹ in crore
On maturity (Bullet)				
Up to 1 year	9	6,350.75	10	3,929.78
	9	6,350.75	10	3,929.78

-Contracted Interest rate is 6.50% p.a to 7.90% p.a as at 31 March 2026 (Previous year 7.40% p.a)

(I) Terms of repayment of securitisation liabilities

Particulars	As at 31 March 2026 Total no. of instalments	As at 31 March 2026 ₹ in crore	As at 31 March 2025 Total no. of instalments	As at 31 March 2025 ₹ in crore
Original maturity over 3 years				
Due within 1 year	2,140	2,127.64	12	396.97
Due in 1 to 2 years	2,120	1,942.90	12	413.91
Due in 2 to 3 years	2,091	1,656.48	12	381.74
Due over 3 years	16,036	1,027.27	24	556.29
Interest Accrued		13.96		4.89
Impact of EIR		(0.45)		(0.12)
	22,387	6,767.80	60	1,753.68

-Contracted Interest rate is 6.64% to 7.82% p.a as at 31 March 2026 (Previous year 7.75% p.a)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

18 Deposits (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
(A) At amortised cost		
Public deposits*	39,379.73	41,792.22
From others	29,153.02	29,610.91
	68,532.75	71,403.13

*As defined in Master direction - Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025

(B) Terms of repayment of deposits as at 31 March 2026

(₹ in crore)

Original maturity of loan	Residual maturity of deposits: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	10,959.93	-	-	-	10,959.93
Over 1 to 2 years	9,393.81	4,002.00	-	-	13,395.81
Over 2 to 3 years	3,035.36	4,347.64	3,001.29	-	10,384.29
Over 3 years	8,785.34	12,956.77	6,950.12	1,428.57	30,120.80
Interest accrued	2,095.73	1,358.79	325.81	35.24	3,815.57
Impact of EIR					(143.65)
					68,532.75

Terms of repayment of deposits as at 31 March 2025

(₹ in crore)

Original maturity of deposits	Residual maturity of deposits: Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	Due in more than 3 years	Total
Up to 1 year	12,233.43	-	-	-	12,233.43
Over 1 to 2 years	8,707.42	6,294.21	-	-	15,001.63
Over 2 to 3 years	4,587.77	3,125.36	3,066.53	-	10,779.66
Over 3 years	2,704.81	8,945.86	13,246.01	5,710.50	30,607.18
Interest accrued	1,396.03	876.34	623.13	77.01	2,972.51
Impact of EIR					(191.28)
					71,403.13

19 Subordinated liabilities (Unsecured)

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
(A) In India		
At amortised cost		
Privately placed subordinated (Tier II) redeemable non-convertible debentures	2,805.31	3,103.54
	2,805.31	3,103.54
(B) Outside India	-	-

19 Subordinated liabilities (Unsecured) (Contd.)

(C) Terms of repayment of subordinated liabilities

(₹ in crore)

ISIN	Coupon rate	Issue date	Date of redemption	As at 31 March 2026	As at 31 March 2025
Redeemable at par					
INE296A08755	8.94%	21-Oct-15	21-Oct-25	-	40.00
INE296A08763	8.94%	09-Nov-15	07-Nov-25	-	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	02-Dec-16	02-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
				2,660.00	2,950.00
Interest accrued				148.72	158.92
Impact of EIR				(3.41)	(5.38)
				2,805.31	3,103.54

20 Other financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Unclaimed dividends*	5.96	4.29
Book overdraft	413.21	26.48
Security deposits	184.47	190.00
Lease liability+	1,254.65	1,121.19
Unclaimed matured deposits*	0.38	0.35
Payable on account of assignment	118.58	93.93
Outstanding liability for prepaid instrument	189.84	120.11
Unspent CSR liability	15.16	6.24
Advance received towards ECB variation margin	101.31	-
Others	512.60	385.61
	2,796.16	1,948.20

-Others includes amounts pertaining to sale of customers securities, ICD and deposits under process, FLDG advance etc.

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

+Disclosures as required by Ind AS 116 'Leases':

The Group as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease. The leases considered for application of Ind AS 116 have lease period ranging from 12 to 218 months. The discount rate ranges from 5.95% to 9.15%.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

20 Other financial liabilities (Contd.)

(A) Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening balance	1,121.19	1,001.16
Add: Addition during the year	389.26	347.55
Interest on lease liability	92.18	85.57
Less: Deletion during the year	13.26	12.94
Lease rental payments	334.72	300.15
Balance at the end of the year	1,254.65	1,121.19

(B) Undiscounted cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March 2026	2025
Not later than one year	346.32	306.80
Later than one year but not later than five years	857.74	803.89
Later than five years	383.04	280.74
	1,587.10	1,391.43

(C) Maturity analysis of carrying value of lease liability

(₹ in crore)

Particulars	As at 31 March 2026	2025
Within 12 months	260.17	228.69
After 12 months	994.48	892.50

(D) Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on lease liabilities	92.19	85.57
Depreciation charge for the year	284.13	267.59
Expense related to short-term leases	4.87	4.92
(Gain)/loss on pre-mature lease closure	(3.07)	(2.79)
	378.12	355.29

(E) Total cash outflow for leases for the year

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Cash outflow for leases	334.72	300.15
Cash outflow for short-term leases	4.87	4.92
	339.59	305.07

21 Provisions

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Provision for employee benefits		
Gratuity	626.39	404.62
Compensated absences*	56.10	23.94
Other long-term service benefits	3.74	54.90
Impairment allowance on undrawn loan commitments	62.71	30.82
	748.94	514.28

*Include amounts payable for encashable leaves not permitted to be carried forward of ₹ 15.87 crore (Previous year ₹ 23.94 crore).

22 Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Statutory dues	674.91	498.37
Others	34.17	33.73
	709.08	532.10

23 Equity share capital

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Authorised		
10,000,000,000 equity shares of ₹ 1 each (Previous year 750,000,000 equity shares of ₹ 2 each)	1,000.00	150.00
Issued		
6,222,481,865 equity shares of ₹ 1 each (Previous year 621,428,652 equity shares of ₹ 2 each)	622.25	124.29
Subscribed and paid up:		
6,222,481,865 equity shares of ₹ 1 each fully called up and paid up (Previous year 621,428,652 equity shares of ₹ 2 each fully called up and paid up)	622.25	124.29
Less: 4,605,529 equity shares of ₹ 1 each held in a trust for employees under ESOP Scheme [See footnote (f) below] (Previous year 616,288 equity shares of ₹ 2 each held in a trust for employees under employees under ESOP Scheme)	0.46	0.12
	621.79	124.17

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

23 Equity share capital (Contd.)

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

Particulars	Nos.	₹ in crore
As at 1 April 2024	618,996,320	123.80
Add: Issued during the year to Trust for employees pursuant to ESOP scheme	882,182	0.18
Add: Issued during the year on conversion of warrants issued to Parent Company, Bajaj Finserv Limited	1,550,000	0.31
Add: Issued during the year shares kept in abeyance of 2013 rights issue	150	-
	621,428,652	124.29
Less: Equity shares held in trust for employees under ESOP scheme	616,288	0.12
As at 31 March 2025	620,812,364	124.17
As at 1 April 2025	621,428,652	124.29
Adjusted no. of shares on account of sub-division of equity share#	1,242,857,304	124.29
Add: Issue of bonus shares during the year to eligible shareholders#	4,971,429,216	497.14
Add: Issued during the year to Trust for employees pursuant to ESOP scheme*	8,195,345	0.82
	6,222,481,865	622.25
Less: Equity shares held in trust for employees under ESOP scheme	4,605,529	0.46
As at 31 March 2026	6,217,876,336	621.79

#During FY 2025-26, pursuant to approval of the Members

i. Authorised share capital of the Company was increased from ₹ 150 crore consisting of 750,000,000 equity shares of face value of ₹ 2 each to ₹ 1,000 crore consisting of 10,000,000,000 equity shares of face value of ₹ 1 each, subsequently 621,428,652 equity shares of face value of ₹ 2 each as on the record date i.e. 16 June 2025 (end of the day), were sub-divided into 1,242,857,304 equity shares of face value of ₹ 1 each; and

ii. On 17 June 2025 (deemed allotment date), the Allotment Committee of the Board of Directors allotted 4,971,429,216 equity shares of face value of ₹ 1 each as bonus shares in the proportion of four bonus equity shares for every one equity share of face value of ₹ 1 held as on the record date i.e. 16 June 2025 (end of day), by capitalising an amount of ₹ 4,971,429,216 out of securities premium. The bonus shares were listed on BSE Limited and National Stock Exchange of India Limited w.e.f. 18 June 2025.

iii. Consequently, in terms of the Employee Stock Option Scheme, 2009 of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme, 2009 were proportionately adjusted.

*On 24 July 2025, the Board of Directors of the Company had approved issue of 8,195,345 equity shares of face value of ₹ 1 each at applicable grant prices to BFL Employee Welfare Trust under Employee Stock Option Scheme, 2009. Consequently, on 25 August 2025, the Allotment committee alloted the equity shares.

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

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The dividend recommended by the Board of Directors and approved by the shareholders in the Annual General Meeting is paid in Indian Rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(C) Shares held by Holding Company

	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
Particulars	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finserv Limited*	3,193,661,300	319.37	319,366,130	63.87

*An associate of Bajaj Holdings and Investments Limited.

23 Equity share capital (Contd.)

(D) Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2026		As at 31 March 2025	
	Face value ₹ 1 per share		Face value ₹ 2 per share	
	Nos.	% Holding	Nos.	% Holding
Bajaj Finserv Limited*	3,193,661,300	51.32%	319,366,130	51.39%

*An associate of Bajaj Holdings and Investments Limited

(E) Shareholding pattern of promoters

Particulars	As at 31 March 2026		As at 31 March 2025		% Changes during the year in number of shares#	% Changes during the previous year in number of shares
	Face value ₹ 1 per share		Face value ₹ 2 per share			
	Nos.	% Holding	Nos.	% Holding		
Names of Promoter and Promoter group						
Promoter:						
Bajaj Finserv Limited	3,193,661,300	51.32%	319,366,130	51.39%	0.00%	0.49%
Promoter Group :						
Aryaman Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Bachhraj Factories Private Limited	720,000	0.01%	72,000	0.01%	0.00%	0.00%
Bajaj General Insurance Limited	921,000	0.01%	48,000	0.01%	91.88%	Nil
Bajaj Life Insurance Limited	2,470,000	0.04%	247,000	0.04%	0.00%	0.00%
Bajaj Sevashram Private Limited	3,085,000	0.05%	308,500	0.05%	0.00%	0.00%
Baroda Industries Private Limited	1,176,000	0.02%	117,600	0.02%	0.00%	0.00%
Jamnalal Sons Private Limited	1,276,400	0.02%	127,640	0.02%	0.00%	0.00%
Kumud Bajaj	40,000	0.00%	2,000	0.00%	100.00%	0.00%
Kumud Bajaj (A/c Madhur Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Kumud Bajaj (A/c Madhur Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Madhur Bajaj	-	0.00%	2,000	0.00%	-100.00%	0.00%
Nimisha Jaipuria (A/c Kumud Neelima Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Neelima Bajaj Swamy (A/c Kumud Nimisha Family Trust)	150,000	0.00%	15,000	0.00%	0.00%	0.00%
Maharashtra Scooters Limited	190,261,600	3.06%	18,974,660	3.05%	0.27%	0.00%
Neelima Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nimisha Bajaj Family Trust (Kumud Bajaj)	610,000	0.01%	61,000	0.01%	0.00%	0.00%
Nirvaan Kejriwal	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Rajivnayan Bajaj	10,000	0.00%	1,000	0.00%	0.00%	0.00%
Rishabnayan Bajaj	20,000	0.00%	2,000	0.00%	0.00%	0.00%
Sanjali Bajaj	1,553,540	0.02%	65,104	0.01%	138.62%	0.00%
Sanjivnayan Bajaj	4,676,880	0.08%	467,688	0.08%	0.00%	0.00%
Shefali Bajaj	631,040	0.01%	63,104	0.01%	0.00%	0.00%
Siddhantnayan Bajaj	1,553,040	0.02%	65,104	0.01%	138.55%	0.00%
Suman Jain	70,150	0.00%	7,015	0.00%	0.00%	0.00%

#Percentage change in number of shares has been calculated by adjusting previous year numbers for split and bonus to make it comparable

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

23 Equity share capital (Contd.)

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

Particulars		No. of Stock options/ Equity shares as at 31 March 2026*	31 March 2025
a.	Number of equity shares approved/reserved for issue under employee stock option plan, 2009 to employees of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines,1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	350,711,600	35,071,160
b.	Options granted under the scheme	344,274,350	33,044,110
c.	Options cancelled and added back to pool for future grants	45,691,416	4,247,656
d.	Options granted net of cancellation under the scheme (d = b-c)	298,582,934	28,796,454
e.	Balance available under the scheme for future grants (e=a-d)	52,128,666	6,274,706
f.	Equity shares allotted to BFL Employee Welfare Trust	246,192,385	23,799,704
g.	Stock options exercised	241,586,856	23,183,416
h.	Balance stock options available with BFL Employee Welfare trust (h = f-g)	4,605,529	616,288

*All number are adjusted for split and bonus action during the year

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the Trust at the close of the year have been reduced against the share capital as if the Trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the Trust at the close of the year aggregating to ₹ 218.12 crore (as at 31 March 2025 ₹ 304.96 crore) has also been reduced from securities premium account and adjusted against the loan outstanding from the Trust.

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

24(A) Other equity

(₹ in crore)

Particulars		Nature and purpose	As at 31 March 2026	2025
(i)	Securities premium	Securities premium is used to record the premium on issue of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.	28,396.10	28,281.33
(ii)	Retained earnings	Retained earnings represents the surplus in Profit and Loss account post appropriations made from retained earnings.	64,267.29	51,782.66
(iii)	Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Reserve fund is created as per the terms of section 29C of the National Housing Bank Act,1987 as a statutory reserve.	687.88	556.03
(iv)	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Every year the Group transfers a sum of not less than twenty percent of net profit of that year to this statutory reserve fund created pursuant to section 45 IC(1) of the Reserve Bank of India Act, 1934. No appropriation of any sum from the reserve fund is permitted except for the purpose as may be specified by the Reserve Bank of India from time to time.	17,129.75	13,567.75
(v)	General reserve	Amount set aside from retained profits as a reserve to be utilised for permissible general purpose as per law.	796.99	792.29

24(A) Other equity (Contd.)

(₹ in crore)

Particulars	Nature and purpose	As at 31 March 2026	As at 31 March 2025
(vi) Infrastructure reserve in terms of section 36(1)(viii) of the Income Tax Act, 1961	Infrastructure reserve is created to avail the deduction as per the provisions of section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.	1,113.08	800.90
(vii) Share options outstanding account	Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Parent Company for employees of the group.	1,200.81	950.69
(viii) Remeasurement of defined benefit plans	The Group recognises change on account of remeasurement of the net defined benefit liability (asset), which comprises of (a)actuarial gains and losses: (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset); (c) any change in the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability (asset).	(139.54)	(165.84)
(ix) Other comprehensive income			
(a) On debt investments	The Group recognises changes in the fair value of debt instruments held with a dual business objective to collect and sell in other comprehensive income. These changes are accumulated in the FVOCI debt investments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument are derecognised. Any impairment loss on such instruments is reclassified immediately to the Statement of Profit and Loss.	(188.46)	115.06
(b) On equity investments	The Group has opted to recognise changes in the fair value of certain investments in equity in other comprehensive income. These changes are accumulated in the FVOCI equity investments reserve. the Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.	(31.49)	(20.19)
(c) On cash flow hedge reserve	It represents the cumulative gains/(losses) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.	117.71	(96.53)
(d) On loans*	The Group recognises changes in the fair value of loans measured under FVOCI in other comprehensive income and impairment loss allowances are recognised in profit or loss.	-	-
(e) On cost of hedging reserve	It represents the fair value of the forward element of a forward contract and the amortised portion of the forward premium. The balance in this reserve is transferred to the Statement of Profit and Loss upon the settlement of the forward contract.	27.11	4.55
		113,377.23	96,568.70

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

24(A) Other equity (Contd.)

*The table gives details of movement of fair value changes:

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance as at the beginning of the year	-	-
Fair value changes during the year	(170.58)	29.45
Impairment loss allowances transferred to profit or loss	170.58	(29.45)
Balance as at the end of the year	-	-

24(B) Non-controlling interest (NCI)

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Balance as at the beginning of the year	2,244.02	-
Change during the year:		
Change in proportion held by non-controlling interest (on the date of dilution)	2,667.63	2,099.10
Adjustment for movement in reserves for non-controlling interest (post dilution)	6.24	2.52
Profit attributable to NCI	314.97	141.66
Other comprehensive income attributable to NCI	(2.32)	0.74
Balance as at the end of the year	2,986.52	2,244.02

25 Interest income

(₹ in crore)

	For the year ended 31 March 2026				For the year ended 31 March 2025			
	On financial assets measured at				On financial assets measured at			
Particulars	**FVOCI**	**Amortised cost**	**FVTPL**	**Total**	**FVOCI**	**Amortised cost**	**FVTPL**	**Total**
On loans*	1,895.72	67,888.99	-	69,784.71	5,939.36	52,471.94	-	58,411.30
On investments	1,822.07	36.48	68.24	1,926.79	1,622.19	43.02	133.85	1,799.06
On deposits with bank	-	766.16	-	766.16	-	589.77	-	589.77
On others	-	298.35	-	298.35	-	363.42	-	363.42
	3,717.79	68,989.98	68.24	72,776.01	7,561.55	53,468.15	133.85	61,163.55

*Includes ₹ 17.18 crore (Previous year ₹ 1.34 crore) of interest income from Finance lease

26 Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Service and administration charges	2,757.92	2,134.84
Fees on value added services and products	824.32	882.04
Foreclosure income	730.21	510.57
Distribution income	3,323.55	2,333.06
Brokerage income	118.39	122.33
	7,754.39	5,982.84

27 Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
(A) Net gain/(loss) on financial instruments at fair value through profit or loss		
On trading portfolio		
Realised gain/(loss) on equity/debt instruments at FVTPL	297.40	433.47
Unrealised gain/(loss) on equity/debt instruments at FVTPL	(101.41)	(39.21)
Realised derivative gain/(loss) on financial instruments at FVTPL	108.47	52.70
Unrealised derivative gain/(loss) on financial instruments at FVTPL	7.58	(0.44)
(B) Others		
Realised gain/(loss) on sale of FVOCI debt instruments	159.20	92.51
	471.24	539.03

28 Sale of services

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Service fees for management of assigned portfolio of loans	15.71	27.13
	15.71	27.13

29 Income on derecognised (assigned) loans

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Income on derecognised (assigned) loans	465.46	552.04
	465.46	552.04

30 Other operating income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Marketing, branding and allied services	471.04	490.97
Dividend income	4.42	10.89
Grant towards QR deployment operating expenditure*	2.00	1.21
Others	22.11	38.05
	499.57	541.12

*The Parent Company has received a government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 2.00 crore in current year (Previous year ₹ 1.21 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under 'Ind AS 20 - Accounting for government grants and disclosure of government assistance'. The Parent Company does not have any unfulfilled conditions relating to the grant recognised.

- The Group has changed presentation of recoveries against written off financial assets and net realisation on sale of written off loans from 'Other Operating Income' to 'impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in other operating income and impairment of financial instruments to the extent of ₹ 799.65 crore in financial year ended March 2026 and ₹ 877.80 crore in financial year ended March 2025.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

31 Other income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Interest on income tax refund	2.74	25.93
Miscellaneous income	4.38	15.34
	7.12	41.27

32 Finance costs

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
On financial liabilities measured at amortised cost:		
On debt securities	13,508.38	10,491.84
On borrowings other than debt securities	9,235.61	8,729.47
On deposits	5,538.87	5,147.48
On subordinated liabilities	245.33	277.69
On lease liability	92.19	85.57
On others	13.46	12.78
Other interest expenses*	32.11	24.92
	28,665.95	24,769.75

*Includes interest on net defined benefit liability of gratuity of ₹ 32.11 crore (Previous year ₹ 19.68 crore).

33 Fees and commission expense

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Commission and incentives	121.51	107.47
Recovery costs	2,571.58	1,973.59
Credit guarantee fees	945.77	508.76
Loan portfolio management service charges	19.24	7.84
	3,658.10	2,597.66

34 Impairment on financial instruments

(₹ in crore)

	For the year ended 31 March 2026			For the year ended 31 March 2025		
Particulars	At amortised cost	At FVOCI	Total	At amortised cost	At FVOCI	Total
On loans						
Gross of recoveries against written off loans	10,115.11	73.50	10,188.61	7,863.94	44.62	7,908.56
Recoveries against written off financial assets*	(793.49)	(3.57)	(797.06)	(697.69)	(17.21)	(714.90)
Net realisation on sale of written off loans*	(1.70)	(0.89)	(2.59)	(162.90)	-	(162.90)
	9,319.92	69.04	9,388.96	7,003.35	27.41	7,030.76
On others	92.89	-	92.89	57.47	-	57.47
	9,412.81	69.04	9,481.85	7,060.82	27.41	7,088.23

*The Group has changed presentation of recoveries against written-off financial assets and net realisation on sale of written off loans from 'Other operating Income' to 'Impairment of financial instruments'. These recoveries are related to impairment of financial instrument and accordingly the revised presentation provides more meaningful representation. This change led to a reduction in 'other operating income' and 'impairment of financial instruments'.

35 Employee benefits expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Employees emoluments	8,140.99	6,698.34
Contribution to provident fund and other funds	284.71	233.10
Gratuity expense	25.71	91.62
Share based payment to employees	441.18	399.07
Staff welfare expenses	85.94	86.21
	8,978.53	7,508.34

36 Other expenses

(₹ in crore)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Communication expenses	251.21	186.82
Outsourcing/back office expenses	446.19	564.06
Travelling expenses	542.52	504.81
Information technology expenses	983.92	771.97
Bank charges	232.91	221.39
Net loss on disposal of property, plant and equipment and intangible assets	18.34	35.50
Auditor's fees and expenses	3.39	2.85
Insurance charges	17.04	11.69
Rent, taxes and energy cost	132.22	118.05
Director’s fees, commission and expenses	22.68	17.91
Advertisement, branding and promotion expenses	465.12	477.23
Expenditure towards corporate social responsibility activities	379.21	295.64
Repairs, maintenance and office expenses	265.49	282.91
Employee training, recruitment and management expenses	82.88	93.81
Printing and stationery expenses	10.69	11.05
Legal and professional charges	63.34	59.11
Customer experience cost	83.85	120.95
Miscellaneous expenses+	129.68	164.44
	4,130.68	3,940.19

+Includes donation of ₹ Nil (Previous year ₹ 25 crore) made to political parties.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

37 Exceptional items

(₹ in crore)

	For the year ended 31 March	
Particulars	**2026**	**2025**
Charge of New Labour Codes	(265.22)	-
	(265.22)	-

On 21 November 2025, the Government of India has notified four New Labour Codes by consolidating 29 existing labour laws. These changes have resulted in an estimated increase in the past service cost of gratuity by ₹ 265.22 crore. Considering that the impact arising out of an enactment of the new legislation is a non-recurring event, the Group has presented this one-time charge under 'Exceptional Item'. The Ministry of Labour and Employment have published draft Central rules and various FAQs. The Group continues to monitor the clarifications from the Government on the New Labour Codes and would provide appropriate accounting effect on the basis of such developments, as needed.

38 Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earnings Per Share' by dividing the profit for the year attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit attributable to equity holders of the Parent Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Parent Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

		For the year ended 31 March	
Particulars		**2026**	**2025**
(A)	Net profit attributable to equity shareholders (₹ in crore)	19,017.39	16,637.82
(B)	Weighted average number of equity shares for basic earnings per share	6,214,050,375	6,186,356,840
	Effect of dilution:		
	Employee stock options	19,919,777	17,136,160
(C)	Weighted average number of equity shares for diluted earnings per share	6,233,970,152	6,203,492,990
	Earning per share (basic) (₹) (A/B)	30.60	26.89
	Earning per share (diluted) (₹) (A/C)	30.51	26.82

Basic and diluted earnings per share for the year ended March 2025 have been restated for split and bonus action (refer note no. 23a) as per the requirement of Ind AS 33 Earnings Per Share.

39 Segment Information

The Parent Company and one of its subsidiary viz BHFL is engaged primarily in the business of financing in India and accordingly there are no separate operating segments as per Ind AS 108 dealing with Operating Segments.

Since, one of the subsidiary viz. BFinsec and the associates do not satisfy the quantitative thresholds laid down under Ind AS 108 'Operating Segments' for reportable segments, they have not been considered for segment reporting.

40(A) Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

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

40 (B) Transfer of financial assets that are not derecognised in their entirety

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Securitisations		
Carrying amount of transferred assets (measured at amortised cost)	7,810.52	1,976.92
Carrying amount of securitisation liabilities - Borrowing other than debt securities (measured at amortised cost)	6,767.80	1,753.68
Fair value of assets (A)	7,801.21	1,975.04
Fair value of associated liabilities (B)	6,774.93	1,742.93
Net position at fair value (A-B)	1,026.28	232.11

41 Revenue from contracts with customers

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Type of services		
Service and administration charges	2,757.92	2,134.84
Fees on value added services and products	824.32	882.04
Foreclosure charges	730.21	510.57
Distribution income	3,323.55	2,333.06
Brokerage income	118.39	122.33
Marketing, branding and allied services	471.04	490.97
	8,225.43	6,473.81
Geographical markets		
India	8,225.43	6,473.81
Outside India	-	-
	8,225.43	6,473.81
Timing of revenue recognition		
Services transferred at a point in time	8,190.16	6,449.19
Services transferred over time	35.27	24.62
	8,225.43	6,473.81

Contract balances

(₹ in crore)

Particulars	As at 31 March 2026	2025
Fees, commission and other receivable	408.49	466.86
	408.49	466.86

- Impairment allowance recognised on contract balances is ₹ 1.64 crore (Previous year ₹ 1.88 crore)

- Contract asset as on 31 March 2026 is ₹ Nil (Previous year ₹ Nil)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

42 Employees benefit plans

(I) Defined benefit plans

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

Risk associated with defined benefit plan

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

Gratuity

With the introduction of the Code on Social Security, 2020 w.e.f. 21 November 2025, the Payment of Gratuity Act, 1972 is repealed. While the Act has been repealed, its core provisions have been incorporated into the new code. The new code has also defined the eligibility of fixed-term employees for gratuity after completion of one year of service and introduced new definition of 'wages'.

The Group has a gratuity plan for its employee's, and gratuity benefit applicable to the employees of the Group is higher of (a) gratuity computed on the basis of wages capped at ₹ 20 lakh and (b) gratuity computed on the basis of Group's internal gratuity scheme.

Employees, other than fixed-term employees, who are in continuous service for a period of 5 years; and fixed-term employees who are in continuous service for a period of one year, are eligible for gratuity. The level of benefits provided depends on the employee's length of service, and wages/eligible salary at the time of separation/retirement.

The Group has a funded gratuity plan. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability.

Actuarial liability is computed using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions based on past trends and forseeable changes in consultation with actuary. Gains and losses through remeasurements of the net defined benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments is recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

42 Employees benefit plans (Contd.)

Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Defined benefit obligation as at the beginning of the year	652.79	510.51
Current service cost	152.31	91.62
Past service cost	151.97	7.57
Interest on defined benefit obligation	49.02	35.69
Remeasurements due to :		
Actuarial loss/(gain) arising from change in financial assumptions	(18.71)	24.49
Actuarial loss/(gain) arising from change in demographic assumptions	(86.56)	11.70
Actuarial loss/(gain) arising on account of experience changes	59.51	(12.61)
Benefits paid	(32.05)	(15.21)
Liabilities assumed/(settled)*	(1.60)	(0.97)
Defined benefit obligation as at the end of the year	926.68	652.79

*Towards continuity of service offered to employees on movement.

Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Fair value of plan asset as at the beginning of the year	248.18	222.17
Employer contributions	81.08	27.50
Interest on plan assets	16.92	15.96
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(12.23)	(1.27)
Benefits paid	(32.05)	(15.21)
Assets acquired/(settled)*	(1.60)	(0.97)
Fair value of plan asset as at the end of the year	300.30	248.18

* Towards continuity of service offered to employees on movement

Reconciliation of net liability/asset

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Net defined benefit liability/(asset) as at the beginning of the year	404.61	288.34
Expense charged to Statement of Profit and Loss	336.37	118.91
Amount recognised in other comprehensive income	(33.51)	24.86
Employers contribution	(81.08)	(27.50)
Net defined benefit liability/(asset) as at the end of the year	626.39	404.61

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

42 Employees benefit plans (Contd.)

Expenses charged to the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Current service cost	152.31	91.62
Past service cost	151.97	7.56
Interest cost	32.10	19.73
	336.38	118.91

Remeasurement (gains)/losses in other comprehensive income

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Opening amount recognised in other comprehensive income	219.79	194.94
Changes in financial assumptions	(18.71)	24.49
Changes in demographic assumptions	(86.56)	11.70
Experience adjustments	59.51	(12.61)
Actual return on plan assets less interest on plan assets	12.23	1.27
Closing amount recognised outside profit or loss in other comprehensive income	186.26	219.79

Amount recognised in Balance Sheet

(₹ in crore)

Particulars	As at 31 March 2026	2025
Present value of funded defined benefit obligation (A)	926.68	652.79
Fair value of plan assets (B)	300.29	248.17
Net funded defined benefit obligation C=(A-B)	626.39	404.62
Net defined benefit liability recognised in Balance Sheet	626.39	404.62

Key actuarial assumptions

Particulars	As at 31 March 2026	2025
Discount rate (p.a)	7.15%	6.85%
Salary escalation rate (p.a.)*	11.00%	11.00%
*For full time employees		
Category of plan assets		
Insurer managed funds	100.00%	100.00%

42 Employees benefit plans (Contd.)

Sensitivity analysis for significant assumptions

(₹ in crore)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(60.18)	58.16	(35.02)	36.36
Impact of decrease in 50 bps on defined benefit obligation	68.12	(53.36)	38.00	(33.93)

Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Maturity Profile		
Expected benefits for year 1	118.94	29.55
Expected benefits for year 2	102.90	32.37
Expected benefits for year 3	99.09	36.08
Expected benefits for year 4	99.54	38.27
Expected benefits for year 5	93.28	49.91
Expected benefits for year 6	91.00	45.66
Expected benefits for year 7	86.54	48.88
Expected benefits for year 8	85.23	52.62
Expected benefits for year 9	80.94	56.79
Expected benefits for year 10 and above	890.41	1,239.77

Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Expected contribution to fund in the next year	123.70	28.55

(II) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the Group pays fixed contributions and where there is no legal or constructive obligation to pay further contributions if the fund does not hold sufficient asset to pay all employee benefits relating to employee services in the current and prior period. Amount recognised during the year in the Statement of Profit and Loss account is as below:

(₹ in crore)

Particulars	For the year ended 31 March 2026	For the year ended 31 March 2025
Provident fund and pension scheme of Employees' Provident Fund Organisation	321.42	195.65
National pension scheme	16.90	12.18
Superannuation fund	0.14	0.29

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

42 Employees benefit plans (Contd.)

(III) Other long-term employee benefits

(A) Compensated absences

(₹ in crore)

Particulars	As at 31 March 2026	2025
Maturity profile		
Present value of unfunded obligations	40.27	-
Expense recognised in the Statement of Profit and Loss	40.27	-

(₹ in crore)

Particulars	As at 31 March 2026	2025
Key actuarial assumptions		
Discount rate (p.a.)	7.15%	-
Salary escalation rate (p.a.)*	11.00%	-

*For full time employees

B) Long-term service benefit liability

(₹ in crore)

Particulars	As at 31 March 2026	2025
Present value of unfunded obligations	1.70	51.83
Expense recognised in the Statement of Profit and Loss	(46.54)	(14.66)
Discount rate (p.a.)	7.10%	6.85%

43 Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March 2026	2025
Disputed claims against the Group not acknowledged as debts	161.58	147.17
PF matters under appeal	110.76	110.76
VAT matters under appeal	4.31	4.31
ESI matters under appeal	5.14	5.14
Bank Guarantees	0.75	0.75
Service tax/Goods and Service Tax matters under appeal		
- On interest subsidy [Refer footnote (ii) below]	2,552.20	2,422.92
- On interest collected upfront [Refer footnote (iii) below]	936.22	874.79
- On additional reversal of credit on investment activity [Refer footnote (iv) below]	658.57	630.32
- On reversal of input tax credit on credit note by the customer	22.99	14.13
- On excess claim ITC and diff in GSTR-1 Vs GSTR 3B	32.42	33.29
- On others	5.14	15.82
Income tax matters:		
- Appeals by the Group	182.40	87.56

43 Contingent liabilities and commitments (Contd.)

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

ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 1,174.32 crore. In accordance with legal advice, the Parent Company filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

   In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune -I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from the Parent Company in relation to the interest subsidy received by the Parent Company from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 295.34 crore. In accordance with legal advice, the Parent Company filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iii) The Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from the Parent Company in relation to interest collected upfront by the Parent Company from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the of interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date the Parent Company pays the GST liability demanded, which as at 31 March 2026 amounted to ₹ 253.64 crore. In accordance with legal advice, the Parent Company has filed an appeal on 23 April 2025 before the office of the Commissioner (Appeals), Pune disputing the demand. The Parent Company, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.

iv) The Commissioner, Central Excise and CGST, Pune -I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from the Parent Company alleging short reversal of Cenvat credit with respect to investment activity undertaken by the Parent Company, in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest on the demand of service tax confirmed until the date the Parent Company pays the service tax demanded, which as at 31 March 2026 amounted to ₹ 281.83 crore. In accordance with legal advice, the Parent Company filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. The Parent Company, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.

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

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

43 Contingent liabilities and commitments (Contd.)

(b) Capital and other commitments

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
Tangible	69.30	30.84
Intangible	14.91	20.39
(ii) Other commitments		
Towards partially disbursed/un-encashed loans	36,617.01	5,388.57
Towards investment	3.98	-
Towards future corporate social responsibility spend	263.45	178.05
	36,968.65	5,617.85

44 Changes in liability arising from financing activities (Ind AS 7 - Statement of Cash flows)

(₹ in crore)

Particulars	As at 1 April 2025	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2026
Debt securities	154,639.73	36,847.92	(17.83)	1,662.08	193,131.90
Borrowings (other than debt securities)	132,102.25	36,558.12	1,956.08	26.08	170,642.53
Deposits	71,403.13	(3,761.08)	-	890.70	68,532.75
Subordinated liabilities	3,103.54	(290.00)	-	(8.23)	2,805.31
Lease liabilities	1,121.19	(242.53)	-	375.99	1,254.65
	362,369.84	69,112.43	1,938.25	2,946.62	436,367.14

(₹ in crore)

Particulars	As at 1 April 2024	Cash flows during the year (net)	Foreign exchange fluctuations	Other*	As at 31 March 2025
Debt securities	117,999.54	34,998.68	43.29	1,598.22	154,639.73
Borrowings (other than debt securities)	111,617.47	20,190.63	284.01	10.14	132,102.25
Deposits	60,150.92	10,527.22	-	724.99	71,403.13
Subordinated liabilities	3,577.90	(452.50)	-	(21.86)	3,103.54
Lease liabilities	1,001.16	(214.57)	-	334.60	1,121.19
	294,346.99	65,049.46	327.30	2,646.09	362,369.84

*Includes movement in interest accrued and impact of EIR

45 (A) Disclosure of transactions with related parties as required by IND AS 24

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(A) Parent					
1. Bajaj Finserv Limited	Contribution to equity (3,193,661,300 shares of ₹ 1 each, adjusted for split and bonus, previous year 319,366,130 share of ₹ 2 each)	-	(319.37)	-	(63.87)
	Proceeds from conversion of preferential warrants	-	-	891.64	-
	Secured non-convertible debentures issued	-	(300.00)	-	(200.00)
	Secured non-convertible debentures redemption	700.00	-	395.00	(800.00)
	Security deposit for leased premises	1.30	1.30	-	-
	Interest paid on non-convertible debentures	80.37	-	75.16	-
	Inter-corporate deposits accepted	-	(550.00)	-	(550.00)
	Interest accrued on Inter-corporate deposits	49.19	(114.06)	45.82	(69.78)
	Dividend paid	1,788.45	-	1,144.14	-
	Asset sales	0.85	-	-	-
	Business support charges received	-	-	0.46	-
	Business support charges paid	17.95	-	17.76	-
	Fair value of ESOP paid	1.47	-	4.72	-
	Rent and maintenance expenses	2.59	-	-	-
(B) Fellow subsidiaries					
1. Bajaj Life Insurance Limited (Formerly known as Bajaj Allianz Life Insurance Company Limited)	Contribution to equity (2,470,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 247,000 shares of ₹ 2 each)	-	(0.25)	-	(0.05)
	Secured non-convertible debentures issued	-	(649.80)	-	(500.00)
	Unsecured non-convertible debentures issued	318.00	(4,025.00)	287.00	(3,707.00)
	Interest paid on non-convertible debentures	360.26	-	311.34	-
	Dividend paid	1.38	-	0.89	-
	Asset sales	-	-	0.19	-
	Security deposit for leased premises	-	1.82	-	1.82
	Advance towards insurance	-	7.17	-	5.96
	Commission income	687.56	43.58	382.31	29.21
	Marketing, branding and allied service charges received	196.16	24.24	146.89	19.58
	Business support charges received	0.32	0.36	0.27	-
	Business support charges paid	0.06	-	1.70	(0.27)
	Insurance expenses	55.57	-	66.02	0.12
	Rent and maintenance expenses	2.91	-	2.79	-

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
2. Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Contribution to equity (921,000 shares of ₹ 1 each, adjusted for split and bonus, previous year 48,000 shares of ₹ 2 each)	-	(0.09)	-	(0.01)
	Secured non-convertible debentures issued	-	(943.50)	-	(743.50)
	Unsecured non-convertible debentures issued	-	(40.00)	-	(40.00)
	Interest paid on non-convertible debentures	61.94	-	33.90	-
	Dividend paid	0.27	-	0.17	-
	Asset purchases	0.47	-	-	-
	Asset sales	-	-	0.06	0.06
	Advance towards insurance	-	12.07	-	9.82
	Commission income	66.76	5.00	80.68	9.14
	Business support charges received	3.19	1.57	0.90	0.30
	Business support charges paid	-	-	0.44	-
	Insurance expenses	111.33	-	88.96	1.39
3. Bajaj Finserv Direct Limited	Investment in equity shares	-	283.16	-	2.69
	Investment in equity shares - conversion from Compulsorily Convertible Term Loan to equity share (including securities premium)	-	-	280.47	280.47
	Information technology design and development charges paid	51.36	(2.84)	74.45	(14.66)
	Asset purchases	4.47	(0.01)	7.18	(6.65)
	Asset sales	1.17	0.10	1.02	-
	Business support charges received	0.74	0.29	5.09	0.11
	Business support charges paid (outstanding ₹ 22,990)	7.74		80.28	(5.25)
	Sourcing commission paid	116.64	(17.01)	159.04	(17.01)
	Information technology support and usage charges paid	8.64	(0.44)	24.73	(1.51)
	Annual maintenance charges on loan	3.66	-	6.32	(0.01)
	Guarantee/Service fees paid for FLDG	15.07	(1.62)	18.79	-
	Cash deposit received towards First Loss Default Guarantee (FLDG) arrangement	-	(1.32)	12.04	(21.11)
	Invocation of deposit towards FLDG	19.79	-	13.33	-
	Interest accrued on cash deposit received towards FLDG	0.72	(0.06)	2.03	(0.36)
4. Bajaj Finserv Health Limited	Asset purchases	0.08	-	0.07	-
	Commission income	162.00	19.47	165.76	8.17
	Reimbursement of manpower cost received	39.98	11.21	-	-
	Interest subsidy received (previous year transaction value ₹ 1,710)	-	-		-
	Business support charges received	0.63	-	0.58	-
	Business support charges paid	2.82	(0.36)	0.42	(0.46)
	Product distribution fee paid	-	-	0.03	-
	Services received	3.37	-	1.70	(0.02)
	Settlement of security deposit on leased premises on behalf of lessor	-	-	1.79	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
5. Bajaj Finserv Asset Management Limited	Business support charges received	0.27	-	0.24	-
	Asset purchases	0.26	-	-	-
6. Bajaj Finserv Ventures Limited	Asset sales	0.12	-	0.08	-
	Asset purchases	-	-	7.17	(0.02)
	Business support charges received	-	-	11.00	6.22
	Business support charges paid	-	-	1.10	(1.18)
7. VH Medcare Private Limited	Asset sales	0.45	-	-	-
	Sourcing commission paid	3.66	(0.44)	-	-
8. Bajaj Alternate Investment Management Limited	Asset sales	0.32	-	-	-
	Business support charges received	0.10	-	-	-
(C) Associates					
1. Snapwork Technologies Private Limited	Investment in equity shares	-	28.49	-	28.49
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	64.25	-	64.25
	Information technology design and development charges paid	30.14	-	20.02	-
	Information technology support and usage charges paid	0.28	-	0.24	-
2. Pennant Technologies Private Limited	Investment in equity shares	-	113.75	-	113.75
	Investment in Compulsorily Convertible Preference Shares (Deemed equity)	-	153.72	-	153.72
	Inter-corporate deposits accepted	42.91	(42.91)	40.00	(40.00)
	Inter-corporate deposits repaid	40.00	-	-	-
	Interest accrued on inter-corporate deposits	3.06	(1.46)	1.80	(1.62)
	Information technology design and development charges paid	31.34	-	35.79	(11.84)
	Annual maintenance charges paid	7.04	-	5.82	-
	Finance lease given	0.85	0.93	0.26	0.26
	Finance lease repayment received	0.26	-	-	-
	Interest income on finance lease	0.07	-	-	-
	Advance given towards lease related transactions	0.09	0.13	0.06	0.06
	Receipt of repayment towards advance given	0.02	-	-	-
	Lease management and other charges received	0.02	-	-	-

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(D) Key Management Personnel (KMP) of the entity or its Parent					
1. Sanjiv Bajaj (Chairman and Promoter group)	Contribution to equity (4,676,880 shares of ₹ 1 each, adjusted for split and bonus, previous year 467,688 shares of ₹ 2 each)	-	(0.47)	-	(0.09)
	Short-term employee benefits:				
	Sitting fees	0.46	-	0.53	-
	Commission	7.25	(6.53)	5.44	(4.90)
	Dividend paid	2.62	-	1.68	-
2. Rajeev Jain (Vice Chairman w.e.f 1 Apr 2025 to 21 Jul 2025) (Vice Chairman and Managing Director w.e.f. 22 Jul 2025)	Contribution to equity (1,699,500 shares of ₹ 1 each, adjusted for split and bonus, previous year 169,950 shares of ₹ 2 each)	-	(0.17)	-	(0.03)
	Short-term employee benefits:				
	Remuneration	28.87	(20.73)	21.41	(7.08)
	Sitting fees	0.34	-	0.33	-
	Commission	0.58	(0.52)	0.66	(0.59)
	Share-based payment	42.60	-	39.06	-
	Equity shares issued pursuant to stock option scheme	-	-	40.52	-
	Asset purchase	-	-	0.50	-
	Dividend paid	0.95	-	0.61	-
	Cashback given (previous year transaction value ₹ 666)	-	-		-
	Fastag fee received (previous year transaction value ₹ 200)	-	-		-
3. Anup Saha (Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Short-term employee benefits:				
	Remuneration	10.38	-	13.97	(9.19)
	Share-based payment	5.04	-	13.33	-
	Equity shares issued pursuant to stock option scheme	15.89	-	-	-
	Dividend paid	0.02	-	-	-
	Asset sales	-	-	0.02	-
	Fixed deposit accepted (previous year transaction value ₹ 25,000)	-	-		(0.01)
	Interest accrued on fixed deposit (transaction value ₹ 2,925, previous year ₹ 8,716, outstanding ₹ 12,817)		-		
	Cashback given (previous year transaction value ₹ 175)	-	-		-
	Fastag fee received (previous year transaction value ₹ 200)	-	-		-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
4. Rajiv Bajaj (Director and Promoter group)	Contribution to equity (10,000 shares of ₹ 1 each, adjusted for split and bonus) (outstanding ₹ 10,000), (previous year 1,000 shares of ₹ 2 each, outstanding ₹ 2,000)	-		-	
	Short-term employee benefits:				
	Sitting fees	0.05	-	0.07	-
	Commission	0.24	(0.22)	0.28	(0.25)
	Dividend paid (previous year transaction value ₹ 36,000)	0.01	-		-
5. Anami N Roy (Director)	Short-term employee benefits:				
	Sitting fees	0.75	-	0.58	(0.01)
	Commission	1.89	(1.70)	1.74	(1.57)
6. Dr. Naushad Forbes (Director)	Short-term employee benefits:				
	Sitting fees	0.13	-	0.24	-
	Commission	0.64	(0.58)	0.96	(0.86)
7. Pramit Jhaveri (Director)	Short-term employee benefits:				
	Sitting fees	0.29	-	0.32	-
	Commission	1.41	(1.27)	1.28	(1.15)
8. Radhika Haribhakti (Director)	Contribution to equity shares of BHFL (214 shares of ₹ 10 each) (previous year transaction value ₹ 14,980, outstanding ₹ 2,140)	-	-		
	Short-term employee benefits:				
	Sitting fees	0.36	-	0.20	(0.01)
	Commission	1.03	(0.93)	0.76	(0.68)
9. Dr. Arindam Bhattacharya (Director)	Contribution to equity (5,000 shares of ₹ 1 each, adjusted for split and bonus, outstanding ₹ 5,000), (previous year 724 shares of ₹ 2 each, outstanding ₹ 1,448)	-		-	
	Short-term employee benefits:				
	Sitting fees	0.40	-	0.45	-
	Commission	1.26	(1.13)	1.18	(1.06)
	Loan given	0.02	-	-	-
	Loan repayment received	0.02	-	-	-
	Cashback given (transaction value ₹ 8,167)		-	-	-
	Other income (transaction value ₹ 328)		-	-	-
	Dividend paid (transaction value ₹ 40,544, previous year ₹ 26,064)		-		-
10. Tarun Bajaj (Director w.e.f. 1 Aug 2024)	Short-term employee benefits:				
	Sitting fees	0.23	-	0.05	-
	Commission	1.14	(1.03)	0.20	(0.18)
11. Ajay Kumar Choudhary (Director w.e.f. 1 Feb 2025)	Short-term employee benefits:				
	Sitting fees	0.22	-	0.01	-
	Commission	1.03	(0.93)	0.04	(0.04)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
12. Sanjiv Sahai (Director of Parent w.e.f. 1 Mar 2025)	Contribution to equity shares of BHFL (2,000 shares of ₹ 10 each, outstanding ₹ 20,000) (previous year transaction value ₹ 14,980, outstanding ₹ 20,000)	-			
(E) Close members of the families of key management personnel of the entity or its Parent					
1. Sanjali Bajaj (Daughter of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	-	-	0.05	-
2. Archana Jain (Spouse of Rajeev Jain, Vice Chairman and Managing Director of the Company)	Assets Purchases	-	-	0.31	-
3. Tapati Saha (Spouse of Anup Saha, Managing Director w.e.f. 1 Apr 2025 to 21 Jul 2025)	Fixed deposit accepted	-	-	-	(1.66)
	Interest accrued on fixed deposit	0.04	-	0.14	(0.31)
4. Siddhant Bajaj (Son of Sanjiv Bajaj, Chairman of the Company)	Short-term employee benefits:				
	Remuneration	0.10	-	-	-
(F) Entities in which key management personnel or close members of their families have significant influence					
1. Bajaj Auto Limited	Investment in equity shares (outstanding ₹ 7,685, previous year ₹ 7,685)	-		-	
	Inter-corporate deposits accepted	745.00	(745.00)	480.00	(280.00)
	Inter-corporate deposits repaid	280.00	-	700.00	-
	Interest accrued on inter-corporate deposits	31.35	(22.30)	29.77	(13.84)
	Security deposit for leased premises	-	0.24	-	0.24
	Dividend received (transaction value ₹ 31,500, previous year ₹ 12,000)		-		-
	Business support charges paid	32.91	-	31.23	-
	Rent and maintenance expenses	1.82	-	1.76	-
	Finance lease given	15.86	21.17	8.76	8.29
	Finance lease repayment received	4.36	-	0.78	-
	Interest income on finance lease	1.37	-	0.31	-
	Advance given towards lease related transactions	3.10	3.98	1.95	1.77
	Receipt of repayment towards advance given	0.90	-	0.18	-
	Lease management charges received	0.22	-	0.04	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
2. Bajaj Auto Technology Limited (Formerly known as Chetak Technology Limited)	Inter-corporate deposits accepted	296.80	(296.80)	243.50	(223.50)
	Inter-corporate deposits repaid	223.50	-	20.00	-
	Interest accrued on inter-corporate deposits	17.68	(7.12)	8.06	(6.80)
	Finance lease given	1.55	1.81	0.40	0.39
	Finance lease repayment received	0.21	-	0.03	-
	Interest income on finance lease	0.08	-	0.01	-
	Advance given towards lease related transactions	0.45	0.49	0.10	0.09
	Receipt of repayment towards advance given	0.05	-	0.01	-
	Lease management charges received (previous year transaction value ₹ 14,157)	0.01	-		-
3. Bajaj Auto Credit Limited	Asset sales	1.49	-	2.55	(0.11)
	Business support charges received	0.93	-	-	-
	Business support charges paid	4.67	-	-	-
	Fair value of ESOP received	4.10	-	-	-
	Finance lease given	0.57	0.77	0.34	0.34
	Finance lease repayment received (previous year transaction value ₹ 19,048)	0.18	-		-
	Interest income on finance lease (previous year transaction value ₹ 31,232)	0.04	-		-
	Advance given towards lease related transactions	0.11	0.15	0.08	0.08
	Receipt of repayment towards advance given (previous year transaction value ₹ 3,869)	0.03	-		-
	Lease management charges received (previous year transaction value ₹ 1,363)	0.01	-		-
4. Bajaj Holdings and Investments Limited	Investment in equity shares (outstanding ₹ 19,646, previous year ₹ 19,646)		-		-
	Security deposit for leased premises	0.19	0.19	-	0.70
	Repayment of security deposit received	0.70	-	-	-
	Commission income	3.35	-	-	-
	Dividend received (transaction value ₹ 6,975, previous year ₹ 6,450)		-		-
	Business support charges paid	23.50	-	23.69	-
	Rent and maintenance expenses	0.26	-	1.99	-
5. Hind Musafir Agency Limited	Services received	49.66	(1.76)	49.13	(0.04)
6. Bajaj Electricals Limited	Inter-corporate deposits accepted	285.00	(285.00)	198.00	(183.00)
	Inter-corporate deposits repaid	183.00	-	75.00	-
	Interest accrued on inter-corporate deposits	9.56	(5.39)	13.06	(10.22)
	Interest subsidy received	3.48	0.80	2.31	0.62
	Purchase of electrical equipments and other services (transaction value ₹ 7,840)		-	-	-

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
7. Bajel Projects Limited	Inter-corporate deposits accepted	-	-	20.00	-
	Inter-corporate deposits repaid	-	-	20.00	-
	Interest accrued on inter-corporate deposits	-	-	0.61	-
	Loan given against flexi limit of ₹ 110 crore	146.00	-	203.00	21.00
	Loan repayment received	167.00	-	182.00	-
	Interest income on loan given	1.03	-	6.45	0.66
	Processing fees received	0.20	-	0.22	-
8. Jamnalal Sons Private Limited	Contribution to equity (1,276,400 shares of ₹ 1 each, adjusted for split and bonus, previous year 1,27,640 shares of ₹ 2 each)	-	(0.13)	-	(0.03)
	Dividend paid	0.71	-	0.46	-
9. Maharashtra Scooters Limited	Contribution to equity (19,02,61,600 shares of ₹ 1 each, adjusted for split and bonus, previous year 1,89,74,660 shares of ₹ 2 each)	-	(19.03)	-	(3.79)
	Secured non-convertible debentures issued	-	(200.00)	-	(200.00)
	Secured non-convertible debentures redemption	-	-	75.00	-
	Interest paid on non-convertible debentures	17.86	-	4.90	-
	Dividend paid	106.26	-	68.31	-
10. Bachhraj Factories Private Limited	Contribution to equity (720,000 shares of ₹ 1 each, adjusted for split and bonus, previous year, 72,000 shares of ₹ 2 each)	-	(0.07)	-	(0.01)
	Dividend paid	0.40	-	0.26	-
11. Baroda Industries Private Limited	Contribution to equity (1,176,000 shares of ₹ 1 each, adjusted for split and bonus, previous year,1,17,600 shares of ₹ 2 each)	-	(0.12)	-	(0.02)
	Dividend paid	0.66	-	0.42	-
12. Bajaj Sevashram Private Limited	Contribution to equity (3,085,000 shares of ₹ 1 each, adjusted for split and bonus, Previous year, 308,500 shares of ₹ 2 each)	-	(0.31)	-	(0.06)
	Dividend paid	1.73	-	1.11	-
13. Bajaj Staffing Solutions Limited (Formerly know as Bajaj Allianz Staffing Solutions Limited)	Outsourcing manpower supply services	86.95	-	104.16	-
(G) Other persons					
1. Shekhar Bajaj (Promoter group)	Nil	-	-	-	-
2. Niraj Bajaj (Promoter group)	Nil	-	-	-	-

45 (A) Disclosure of transactions with related parties as required by IND AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
(H) Post employment benefit plans					
1. Bajaj Auto Limited Provident Fund	Unsecured non-convertible debentures issued	-	(15.00)	-	(25.00)
	Unsecured non-convertible debentures redemption	10.00	-	11.00	-
	Interest paid on non-convertible debentures	2.22	-	3.32	-
2. Bajaj Auto Employees Superannuation Fund	Superannuation contribution	-	-	0.15	-
3. Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	68.43	-	16.00	-
4. Bajaj Auto Senior Staff Group Gratuity Fund	Gratuity contribution	11.49	-	11.50	-
(I) Post employment benefit plans of related parties					
1. Bajaj Electricals Limited Employees Provident Fund	Interest paid on non-convertible debentures	0.13	-	-	-
	Unsecured non-convertible debentures redemption	1.50	-	-	-
2. Bachhraj & Co Limited Provident Fund Institution	Secured non-convertible debentures issued	-	(1.60)	-	-
	Unsecured non-convertible debentures issued	-	(0.30)	-	-
	Interest paid on non-convertible debentures	0.09	-	-	-
3. Bajaj International Provident Fund Institution	Secured non-convertible debentures issued	-	(0.10)	-	-

Notes:

- Transaction values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Group act as intermediary and passed through Group's books of accounts are not in nature of related party transaction and hence are not disclosed.
- Name of the related party and nature of the related party relationship where control exists have been disclosed irrespective of whether or not there have been transactions between the related parties. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key management personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash (except deemed equity and preferential warrants) and are unsecured (except secured non-convertible debentures issued to related parties which are disclosed appropriately).
- Provisions for gratuity, compensated absences and other long-term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- During the year, the Group has received broking and other charges amounting to ₹ 1.41 crore from 76 related parties with respect to purchase and sale of securities (Previous year ₹ 0.36 crore from 75 related parties). Net amount receivable towards such transaction amounts to ₹ 0.10 crore from 28 related parties is outstanding as on 31 March 2026. (Previous year payable amounts to ₹ 0.03 crore to 24 related parties)
- Non-convertible debentures (NCDs) transactions include only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting date.
- The above disclosures have been made for related parties identified as such only to be in confirmity with the Indian Accounting Standard (IND AS) 24.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

45 (B) Disclosure of transaction with individual related parties on aggregate basis which are not part of note no. 45(A)

(₹ in crore)

S. No	Nature of relationship	Nature of transaction	FY2025-26 Transaction value	FY2025-26 Outstanding amounts carried in Balance Sheet	FY2024-25 Transaction value	FY2024-25 Outstanding amounts carried in Balance Sheet
1	Close members of the families of key management personnel of the entity or its Parent	Contribution to equity (38,37,089 share of ₹ 1 each, adjusted for split and bonus, previous year 203,005 shares of ₹ 2 each)	-	(0.38)	-	(0.04)
		Contribution to equity shares of BHFL (3,862 share of ₹ 10 each) (previous year 7,278 shares of ₹ 10 each)	-	(0.00)	0.05	(0.01)
		Dividend Paid	1.14	-	0.73	-
2	Promoter group and close members of the families of Promoter group	Contribution to equity (18,60,000 share of ₹ 1 each,adjusted for split and bonus, previous year 186,000 shares of ₹ 2 each)	-	(0.19)	-	(0.04)
		Dividend Paid	1.03	-	0.67	-

45(C) Details of commitment given to related parties

(₹ in crore)

S. No	Name of the related party and nature of relationship	Nature of commitment	As at 31 March 2026	As at 31 March 2025
A	**Fellow Subsidiaries**			
1	Bajaj Finserv Direct Limited	Information technology design and development charges paid	0.51	1.22
2	Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited)	Insurance expenses on assets purchases	-	0.02
B	**Associates**			
	Snapwork Technologies Private Limited	Information technology design and development charges paid	-	0.04
C	**Entities in which key management personnel or close members of their families have significant influence**			
	Bajel Projects Limited	Unsecured short-term revolving term loan and purchase bill discounting facility (Up to 12 months tenor from the date of disbursement and interest rate at arm's length)	110.00	89.00

45 (D) Summary of total compensation to key management personel

(₹ in crore)

S. No	Categories	For the year ended 31 March 2026	For the year ended 31 March 2025
1	Short-term employee benefits	58.96	50.70
2	Share-based payment	47.64	52.39
		106.60	103.09

46 Capital

The Group actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirement of RBI and NHB. The adequacy of the Group's capital is monitored using, among other measures, the regulations issued by RBI and NHB.

(i) Capital management

Objective

The Group's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Group aims to maintain a strong capital base to support the risks inherent to its business and growth strategies. The Group endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Group's assessment of capital requirement is aligned to the mandatory regulatory capital and its planned growth which forms part of an annual operating plan which is approved by the Board and also a long range strategy. These growth plans are aligned to assessment of risks- which include credit, liquidity and market.

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

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

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

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

(ii) Regulatory capital

Bajaj Finance Limited

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Tier I capital	95,751.27	82,233.86
Tier II capital	4,091.48	3,284.64
Total capital (Tier I+Tier II)	99,842.75	85,518.50
Risk weighted assets	463,323.41	389,981.09
Tier I CRAR	20.67%	21.09%
Tier II CRAR	0.88%	0.84%
Total CRAR (Tier I+Tier II)	21.55%	21.93%

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

46 Capital (Contd.)

Bajaj Housing Finance Limited

(₹ in crore)

Particulars	As at 31 March 2026	As at 31 March 2025
Tier I capital	21,994.67	19,456.12
Tier II capital	444.93	367.09
Total capital (Tier I+Tier II)	22,439.60	19,823.21
Risk weighted assets	99,906.32	70,188.39
Tier I CRAR	22.01%	27.72%
Tier II CRAR	0.45%	0.52%
Total CRAR (Tier I+Tier II)	22.46%	28.24%

(iii) Dividend distributions made and proposed

The Group recognises a liability for payment of dividend to equity holders when the distribution is authorised and it is no longer at the discretion of the Group. A corresponding amount is recognised directly in other equity.

Bajaj Finance Limited

Dividends on equity shares declared and paid during the year:

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Dividend paid out of profits of previous year*	3,480.00	2,228.39
Profit for the relevant year	16,661.50	12,644.11
Dividend as a percentage of profit for the relevant year	20.89%	17.62%

*includes amount paid ₹ 1.72 crore (Previous year ₹ 1.93 crore) to Trust on unexercised options which do not accrete to it.

Final dividend proposed for approval at the annual general meeting (not recognised as a liability as on 31 March 2026)

(₹ in crore)

Particulars	FY2025-26
Final dividend on equity share at ₹ 6 per share (a)	3,733.49
Profit after tax for the year ended 31 March 2026 (b)	17,803.87
Final dividend proposed as a percentage of profit after tax (a/b)	20.97%

46 Capital (Contd.)

Bajaj Financial Securities Limited

Interim dividend on equity shares declared and paid during the year ended 31 March 2026

(₹ in crore)

Particulars	FY2025-26	FY2024-25
Interim dividend paid out of profit of previous year (a)	3.36	9.68
Profit for the relevant year (b)	202.58	138.66
Interim dividend declared and paid as a percentage of profit after tax (a/b)	1.66%	6.98%

Bajaj Housing Finance Limited

Bajaj Housing Finance Limited has not paid nor recommended any dividend for financial year ended 31 March 2026.

47 Events after reporting date

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

48 Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques.

Fair value hierarchy

The Group determines fair values of its financial instruments according to the following hierarchy:

Level 1 - valuation based on quoted market price: financial instruments with quoted prices for identical instruments in active markets that the Group can access at the measurement date.

Level 2 - valuation using observable inputs: financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 - valuation technique with significant unobservable inputs: financial instruments valued using valuation techniques where one or more significant inputs are unobservable.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Group has an internal fair value assessment team which assesses the fair values of assets qualifying for fair valuation.

The Group's valuation framework includes:

- Benchmarking prices against observable market prices or other independent sources;
- Development and validation of fair valuation models using model logic, inputs, outputs and adjustments.
- Use of fair values as determined by the derivative counter parties.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are reviewed and validated by various units of the Group including risk, treasury and finance. The Group has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

48 Fair values (Contd.)

Valuation methodologies adopted

Fair value of financial instruments, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held under FVTPL have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair values of investments in unquoted equity instruments designated under FVOCI have been measured under level 3 at fair value based on a discounted cash flow model;
- Fair values of investment in quoted equity and other instruments designated under FVOCI have been determined under level 1 using quoted market prices of the underlying instruments;
- Fair value of loans held under a business model that is achieved by both collecting contractual cash flows and partially selling the loans through partial assignment to willing buyers and which contain contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest are designated under FVOCI. The fair value of these loans have been determined under level 3.
- Derivative financial instrument i.e. cross currency interest rate swap (CCIRS) held for the purpose of hedging foreign currency denominated External Commercial Borrowings are accounted as a cash flow hedge. Fair value of CCIRS has been determined under Level 2 using discounted cash flow method by deriving future forward rates from published zero coupon yield curve. All future cash flows for both the paying and receiving legs in the swap contract are discounted to present value using these forward rates to arrive at the fair value as at reporting date.
- The Group has also hedged some of its foreign currency exposure under External Commercial Borrowings using currency forward contracts. Fair value of forward contracts have been determined under Level 2 wherein forward rate effective for the reporting date for the value date of the derivative contract basis USD INR FWD onshore curve from Bloomberg has been considered. Net effective position of contracted forward rate and the derived forward rate for the reporting rate has been considered as the fair valuation.

Fair values of financial instruments which are subsequently measured at amortised cost have been computed using discounted cash flow models based on contractual cash flows using latest yields. In case of cash and cash equivalents, bank balances, trade receivables, short-term loans, floating rate loans, trade payables, short-term debts, borrowings, bank overdrafts and other current liabilities, carrying value are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values.

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2026

(₹ in crore)

Particulars	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	725.39	-	-	725.39
Equity instruments designated under FVOCI (Unquoted)	-	-	770.37	770.37
Equity instruments designated under FVOCI (Quoted)	160.56	-	-	160.56
Other investments designated under FVOCI	25,117.98	3,312.66	-	28,430.64
Loans designated under FVOCI	-	-	25,757.95	25,757.95
Derivative financial instruments (net)	6.70	2,323.58	-	2,330.28
	26,010.63	5,636.24	26,528.32	58,175.19

48 Fair values (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on a recurring basis as at 31 March 2025

(₹ in crore)

Particulars	Fair value measurement using: Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Investments held under FVTPL	6,786.68	-	-	6,786.68
Equity instruments designated under FVOCI (Unquoted)	-	-	424.62	424.62
Equity instruments designated under FVOCI (Quoted)	316.99	-	-	316.99
Other investments designated under FVOCI	22,448.25	3,883.64	-	26,331.89
Loans designated under FVOCI	-	-	68,579.27	68,579.27
Derivative financial instruments (net)	(4.23)	217.66	-	213.43
	29,547.69	4,101.30	69,003.89	102,652.88

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

Fair value measurements using significant unobservable inputs (level 3)

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

(₹ in crore)

Particulars	As at 31 March 2026	2025
Opening balance	424.62	699.22
Acquisitions during the year	308.14	35.00
Disposals during the year	-	-
Fair value gains/losses recognised in profit or loss	-	-
Transfer from Level 3 to Level 1	-	(296.89)
Gains/(losses) recognised in other comprehensive income	37.61	(12.71)
Closing balance	770.37	424.62

Sensitivity analysis of significant unobservable inputs on the fair value of equity instruments designated under FVOCI

(₹ in crore)

	Sensitivity to fair value as at 31 March 2026		Sensitivity to fair value as at 31 March 2025	
	1 % increase	1 % decrease	1 % increase	1 % decrease
Discounting rate	(86.09)	100.09	(28.51)	33.06
Cash flows	53.98	(46.74)	15.02	(13.10)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

48 Fair values (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets					
Loans	473,185.59	-	-	473,297.00	473,297.00
Investments	87.74	-	-	88.20	88.20
	473,273.33	-	-	473,385.20	473,385.20
Financial liabilities					
Debt securities	193,131.90	-	193,126.25	-	193,126.25
Borrowings (other than debt securities)	170,642.53	-	-	170,649.21	170,649.21
Deposits	68,532.75	-	-	69,565.31	69,565.31
Subordinated liabilities	2,805.31	-	2,812.64	-	2,812.64
	435,112.49	-	195,938.89	240,214.52	436,153.41

Fair value of financial instruments measured at amortised cost as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial assets					
Loans	339,264.87	-	-	339,609.13	339,609.13
Investments	193.85	-	-	194.64	194.64
	339,458.72	-	-	339,803.77	339,803.77
Financial liabilities					
Debt securities	154,639.73	-	156,579.65	-	156,579.65
Borrowings (other than debt securities)	132,102.25	-	-	132,091.38	132,091.38
Deposits	71,403.13	-	-	71,718.46	71,718.46
Subordinated liabilities	3,103.54	-	3,140.92	-	3,140.92
	361,248.65	-	159,720.57	203,809.84	363,530.41

49 Financial risk management

A summary of the major risks arising from financial instrument which are faced by the Group, its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity risk	Liquidity risk arises from mismatches in the timing of cash flows. Funding risk arises from: • inability to raise incremental borrowings and deposits to fund business requirement or for repayment obligations; • when long-term assets cannot be funded at the expected term resulting in cash flow mismatches; • Amidst volatile market conditions impacting sourcing of funds from banks and money markets.	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	Liquidity and funding risk is: • measured by – identification of gaps in the structural and dynamic liquidity. – assessment of incremental borrowings required for servicing the repayment obligation, the Group's business plan and prevailing market conditions. – liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and board approved liquidity risk framework. • monitored by – assessment of the gap between maturity of its assets and liabilities – a constant calibration of sources of funds in line with current and emerging market conditions in banking and money markets. – periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by the Group. • managed by the Group's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board constituted RMC and ALCO	Market risk for the Group encompasses exposures to fair value movement in equity investments, changes in exchange rates, interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles. • measured by using changes in prices, and parameters like Value at Risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income. • monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and Market Value of Equity (MVE) analysis for probable interest rate movements on both fixed and floating rate assets and liabilities. The Group has a market risk management module which is integrated with it's treasury system; and • managed by the Group's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved Investment and Market Risk policy.
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group.	Board constituted RMC, and Chief Risk Officer (CRO)	Credit risk is: • measured as the amount at risk due to repayment default by customers or counterparties to the Group. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk. • monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and sectoral exposure; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. Internal capital adequacy assessment process (ICAAP) Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing. • managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.

49 Financial risk management (Contd.)

(a) Liquidity risk

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

The Group maintains a judicious mix of borrowings from banks, money markets, External commercial borrowings (ECBs), securitisation, public and other deposits and and focuses on diversification of its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided the Group maintain a healthy asset liability position and interest rate during the financial year 31 March 2026 (FY 2025-26). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 435,112.49 crore as of 31 March 2026 (previous year ₹ 361,248.65 crore). The weighted average cost of borrowing was 7.54% for FY 2025-26 (previous year 7.97%).

The Group continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. The Group endeavours to maintain an average liquidity buffer of 4% to 6% of its overall net borrowings under various market scenario.

RBI has issued guidelines on liquidity risk framework for NBFCs, covering various aspects of liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. The Group has a Board approved liquidity risk management framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, collateral management for derivative exposure, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

The Parent Company and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandates maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 31 March 2026, the Parent Company and BHFL maintained a LCR of 128.38% and 152.52% respectively. Both are well above the RBI's stipulated norm of 100%.

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

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

The table below summarises the maturity profile of the undiscounted contractual cash flow of the Group's financial liabilities :

As at 31 March 2026

(₹ in crore)

Particulars	Up to 1 month	Over 1 months to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	8,239.92	25,983.97	21,443.81	116,905.81	75,909.21	248,482.72
Borrowings (other than debt securities)	25,243.45	11,352.77	40,912.15	105,322.43	5,687.37	188,518.17
Deposits	3,039.35	7,440.82	26,463.59	38,546.06	-	75,489.82
Subordinated liabilities	-	48.90	2,238.52	648.90	-	2,936.32
Trade payables	1,319.19	493.63	291.71	-	-	2,104.53
Other payables	837.30	6.07	309.50	20.93	-	1,173.80
Other financial liabilities	1,130.26	85.44	666.88	862.33	383.69	3,128.60
	39,809.47	45,411.60	92,326.16	262,306.46	81,980.27	521,833.96

As at 31 March 2025

(₹ in crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 months to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	7,075.92	19,109.95	33,336.49	80,061.44	63,018.72	202,602.52
Borrowings (other than debt securities)	21,089.55	7,555.54	25,121.33	93,811.85	2,688.39	150,266.66
Deposits	2,662.71	5,307.47	24,522.51	48,169.81	-	80,662.51
Subordinated liabilities	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	1,497.59	265.69	114.77	-	-	1,878.05
Other payables	692.68	-	238.22	-	-	930.90
Other financial liabilities	517.79	104.19	511.82	803.81	280.82	2,218.43
	33,536.24	32,391.74	84,339.75	225,783.23	65,987.93	442,038.90

49 Financial risk management (Contd.)

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

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	1,896.90	-	1,896.90	3,642.46	-	3,642.46
Bank balances other than cash and cash equivalents	13,120.72	737.70	13,858.42	9,805.65	95.43	9,901.08
Derivative financial instruments	987.08	1,404.78	2,391.86	7.37	243.19	250.56
Trade receivables	1,839.20	68.88	1,908.08	1,791.55	121.56	1,913.11
Loans	160,263.51	338,680.03	498,943.54	126,435.77	281,408.37	407,844.14
Investments	22,726.14	7,851.66	30,577.80	27,012.79	7,428.05	34,440.84
Other financial assets	3,596.81	703.60	4,300.41	1,980.14	464.85	2,444.99
Non-financial assets						
Current tax assets (net)	-	229.59	229.59	-	480.77	480.77
Deferred tax assets (net)	-	1,560.07	1,560.07	-	1,141.20	1,141.20
Property, plant and equipment	-	2,851.06	2,851.06	-	2,688.89	2,688.89
Capital work-in-progress	-	61.83	61.83	-	26.74	26.74
Intangible assets under development	-	57.58	57.58	-	14.55	14.55
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	1,092.23	1,092.23	-	1,088.01	1,088.01
Other non-financial assets	133.43	86.29	219.72	205.72	40.50	246.22
	204,563.79	355,388.57	559,952.36	170,881.45	295,245.38	466,126.83
LIABILITIES						
Financial liabilities						
Derivative financial instruments	-	61.58	61.58	37.13	-	37.13
Trade payables	2,104.53	-	2,104.53	1,878.04	-	1,878.04
Other payables	1,152.87	20.93	1,173.80	930.91	-	930.91
Debt securities	49,534.96	143,596.94	193,131.90	53,916.54	100,723.19	154,639.73
Borrowings (other than debt securities)	69,993.95	100,648.58	170,642.53	46,900.60	85,201.65	132,102.25
Deposits	34,242.26	34,290.49	68,532.75	29,606.41	41,796.72	71,403.13
Subordinated liabilities	2,206.00	599.31	2,805.31	448.44	2,655.10	3,103.54
Other financial liabilities						
Lease liabilities	260.17	994.48	1,254.65	228.69	892.50	1,121.19
Others	1,539.36	2.15	1,541.51	827.01	-	827.01
Non-financial liabilities						
Current tax liabilities (net)	260.24	-	260.24	100.63	-	100.63
Provisions	51.75	697.19	748.94	27.81	486.47	514.28
Other non-financial liabilities	697.51	11.57	709.08	501.40	30.70	532.10
	162,043.60	280,923.22	442,966.82	135,403.61	231,786.33	367,189.94

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates, equity prices and credit spreads on investment and borrowings.

(i) Interest rate risk

On assets and liabilities

For floating rate assets and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year.

The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate financial assets and liabilities, as follows:

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss: 1% interest increase	Impact in Statement of Profit and Loss: 1% interest decrease
Loans	209,167.87	2,091.68	(2,091.68)
Debt securities	5,000.45	(50.00)	50.00
Borrowings (other than debt securities)	116,164.68	(1,161.65)	1,161.65

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal outstanding	Impact in Statement of Profit and Loss: 1% interest increase	Impact in Statement of Profit and Loss: 1% interest decrease
Loans	168,005.42	1,680.05	(1,680.05)
Debt securities	1,597.35	(15.00)	15.00
Borrowings (other than debt securities)	92,094.02	(920.91)	920.91

(ii) Price risk

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

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss: 10% increase	Impact in Statement of Profit and Loss: 10% decrease
Investment in equity shares (quoted)	403.92	403.92	40.39	(40.39)

49 Financial risk management (Contd.)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	25,117.98	25,117.98	251.18	(251.18)
Investment at FVTPL - Other than equity shares	482.03	482.03	4.82	(4.82)

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	573.87	573.87	57.39	(57.39)

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1% increase	1% decrease
Investment in FVOCI - Debt instruments	22,448.25	22,448.25	224.48	(224.48)
Investment at FVTPL - Other than equity shares	6,529.80	6,529.80	65.30	(65.30)

(iii) Foreign currency risk

The Group is exposed to foreign currency fluctuation risk for its external commercial borrowing (ECB). The Group's borrowings in foreign currency are governed by extant RBI guidelines and Board approved policies. As a matter of prudence, the Group hedges the entire ECB exposure for the full tenure as per its Board approved Interest rate and currency risk hedging policy.

The Group evaluates its fully hedged cost for raising ECB. The Group manages its currency risks by entering into over the counter (OTC) derivatives contracts such as cross currency swaps and forwards as hedge positions and the same are being governed through the Board approved 'Interest rate and currency risk hedging policy'. These derivative contracts are entered with counterparties (banks) with strong credit rating to ensure that the effect of credit risk does not dominate the changes that result from the established economic relationship.

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

(₹ in crore)

Particulars	As at 31 March 2026	2025
Hedged		
ECB (USD 2,415 million, previous year USD 1,800 million)	(20,599.60)	(15,091.03)
Derivative financial instrument*	20,599.60	(15,091.03)
Unhedged	-	-

*Represents the notional amount of the derivative financial instrument

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

Foreign currency sensitivity impact on profit or loss and OCI :

The sensitivity to changes in exchange rates arises mainly from foreign currency denominated financial instruments and derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The resulting impact of movements in exchange rates on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Parent Company has assumed a uniform increase and decrease of ±5% against the relevant foreign currencies to determine the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
USD sensitivity				
INR/USD - increase by 5%	-	-	1,164.52	789.13
INR/USD - decrease by 5%	-	-	(1,164.52)	(789.13)

Interest rate sensitivity impact on profit or loss and OCI :

The sensitivity to changes in interest rates arises from derivative financial instruments, such as forward exchange contracts and currency swaps, which are designated as cash flow hedges. The impact of interest rate movements on these instruments is recognised in Other Comprehensive Income (OCI). For the purpose of sensitivity analysis, the Parent Company has considered a uniform increase and decrease of ±1% in the relevant interest rates to assess the impact on OCI.

(₹ in crore)

	Impact on profit or loss		Impact on OCI	
Particulars	**31 March 2026**	**31 March 2025**	**31 March 2026**	**31 March 2025**
Interest rate - increase by 1%	-	-	260.95	282.01
Interest rate - decrease by 1%	-	-	(268.96)	(290.77)

Hedging policy

The Group's hedging policy only allows for effective hedging relationships to be considered as hedges as per the relevant Ind AS. Hedge effectiveness is determined at the inception of the hedge relationship and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument. The Group enters into hedge relationships where the critical terms of the hedging instrument matches with the terms of the hedged item, and so a qualitative and quantitative assessment of effectiveness is performed. The hedge ratio established remains at 1:1 for the hedge relationship as the underlying risks and notional amount of the hedging instrument are identical to that of the hedged items.

49 Financial risk management (Contd.)

Impact of hedge on the Balance Sheet:

As at 31 March 2026

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	16,032.12	2,053.03	-
Coupon only swap	4,567.48	40.36	-
Forward contract		291.77	-
Interest rate swap	3,500.00	-	61.58
Future and options	292.64	6.70	-

As at 31 March 2025

(₹ in crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
CCIRS	14,447.29	201.97	25.53
Coupon only swap	643.74	-	2.95
Forward contract		3.06	-
Interest rate swap	2,350.00	41.22	-
Future and options	1,121.14	7.37	11.60

Movement in cash flow hedge reserve and cost of hedging reserve

(₹ in crore)

Particulars	For the year ended 31 March 2026	2025
Movement in cash flow hedge reserve		
Balance at the beginning of the year	(96.53)	(8.87)
Changes in the fair value during the year	286.30	(117.14)
Deferred tax related to above (net)	(72.06)	29.48
Balance at the end of the year	117.71	(96.53)
Movement in cost of hedging reserve		
Balance at the beginning of the year	4.55	-
Changes in the fair value during the year	(30.68)	5.74
Amortisation of time value	45.52	0.25
Deferred tax related to above (net)	7.72	(1.44)
Balance at the end of the year	27.11	4.55

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

(c) Credit risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Group. The Group has a diversified lending model spread across secured and unsecured products. The Group assesses the credit quality of all financial instruments that are subject to credit risk.

Classification of financial assets under various stages

The Group classifies its financial assets in three stages having the following characteristics:

Stage 1: which are not credit impaired as on date and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;

Stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and

Stage 3: objective evidence of impairment and therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 3.3 (i)

Computation of impairment on financial instruments

The Group calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instruments'. ECL uses three main components: PD (probability of default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions. For further details of computation of ECL please refer to material accounting policies note no. 3.3 (i).

The Group recalibrates components of its ECL model periodically by;

(1) incorporating the available incremental and recent information, except where such information does not represent the future outcome, and

(2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, the Group has recalibrated various components of its ECL model and used them in redevelopement of the model. The changes to ECL model and its implementation are approved by Board and its Committee.

During the year, to enhance Balance Sheet resilience and further strengthen its ECL framework, the Parent Company introduced LGD flooring across various businesses. LGD flooring has been introduced as a more conservative and prudent approach to provisioning and it will continue the same over the medium term period.

49 Financial risk management (Contd.)

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

<table>
<tr><th rowspan="2">Lending verticals</th><th rowspan="2">Nature of businesses</th><th colspan="3">PD</th><th rowspan="2">EAD</th><th rowspan="2">LGD</th></tr>
<tr><th>Stage 1</th><th>Stage 2</th><th>Stage 3</th></tr>
<tr><td>Urban Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td><td rowspan="9">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates.</td><td rowspan="9">Empirical performance across different DPD (Days Past Due) ranges</td><td rowspan="15">100%</td><td rowspan="10">Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.</td><td rowspan="6">LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Two and three wheeler finance</td><td>Two and three wheeler financing</td></tr>
<tr><td>Urban B2C</td><td>Personal loans to salaried and self employed individuals</td></tr>
<tr><td>MSME lending</td><td>Unsecured and secured loans to SME's, self employed customers and professionals</td></tr>
<tr><td>Rural Sales finance</td><td>Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends</td></tr>
<tr><td>Rural B2C</td><td>Personal loans to salaried, self employed customers, professionals</td></tr>
<tr><td>Gold loans</td><td>Loans with underlying security as gold</td><td>Based on Management judgement</td></tr>
<tr><td>Open market two and three wheeler finance</td><td>Open market two and three wheeler financing</td><td>Based on captive two and three wheeler finance portfolio, or flooring applied by the Company, whichever is higher</td></tr>
<tr><td>Used Car loans</td><td>Used car financing</td><td>Based on captive two and three wheeler finance portfolio, or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Mortgages</td><td>Home loans, loans against property, developer finance and lease rental discounting</td><td colspan="2">Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates and management evaluation/ judgement for wholesale loans.</td><td>Based on Management judgement</td></tr>
<tr><td>Tractor/ Commercial vehicle finance</td><td>Financing for the purchase of tractor/ commercial vehicle</td><td colspan="2" rowspan="2">Basis industry benchmark</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Micro financing</td><td>Loans provided under micro finance</td></tr>
<tr><td>New car financing</td><td>New car loans</td><td colspan="2">Use of empirical default rates for Stage 1 and proxy from Used car finance for Stage 2</td><td>Use of empirical information for Stage 1 and proxy for Stage 2</td><td>Based on captive Two and three wheeler finance portfolio, or flooring applied by the Group, whichever is higher</td></tr>
<tr><td>Loan against securities</td><td>Loans against shares, mutual funds, deposits and insurance policies</td><td colspan="2">Based on Management judgement</td><td rowspan="2">100%</td><td rowspan="2">Based on Management judgement</td></tr>
<tr><td>Commercial lending</td><td>Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.</td><td colspan="2">Basis external credit rating</td></tr>
</table>

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

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

As at 31 March 2026

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	309,567.59	1,831.24	2,177.56	189,791.29	2,934.78	2,941.23
Allowance for ECL	1,172.54	495.27	1,052.16	3,915.89	1,659.77	2,004.52
ECL coverage ratio	0.38%	27.05%	48.32%	2.06%	56.56%	68.15%

As at 31 March 2025

(₹ in crore)

	Secured			Unsecured		
Particulars	**Stage 1**	**Stage 2**	**Stage 3**	**Stage 1**	**Stage 2**	**Stage 3**
Gross carrying value	244,817.82	2,344.08	1,944.84	160,640.02	3,059.84	2,019.90
Allowance for ECL	865.45	495.06	950.80	2,237.98	1,253.61	1,179.46
ECL coverage ratio	0.35%	21.12%	48.89%	1.39%	40.97%	58.39%

Collateral valuation

The Group offers loans to customers across various lending verticals as articulated above. These loans includes both unsecured loans and loans secured by collateral. Although collateral is an important risk mitigant of credit risk, the Group's practice is to lend on the basis of assessment of the customer's ability to repay rather than placing primary reliance on collateral. Based on the nature of product and the Group's assessment of the customer's credit risk, a loan may be offered with suitable collateral. Depending on its form, collateral can have a significant financial effect in mitigating the Group's credit risk.

The main types of collateral across various products obtained are as follows:

Product group	Nature of securities
Urban Sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Gold loans	Pledge of gold jewellery.
MSME lending (Secured)	Hypothecation of underlying equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral.
Loan against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies.
Commercial lending	Plant and machinery, book debts etc.
Tractor and commercial vehicle loans	Hypothecation of underlying vehicle

The Group periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Group exercises its right of repossession across all secured products and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in case they come forward to settle their dues. For its loan against securities business, the Group recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. The Group does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

49 Financial risk management (Contd.)

Guarantee cover taken on loans

The Parent Company takes guarantee cover for certain qualifying portfolios under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Limited (NCGTC). Further, the Parent Company had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to qualifying customers.

Analysis of concentration risk

The Group focuses on granulisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

ECL sensitivity analysis to forward economic conditions and management overlay

Allowance for impairment on financial instruments recognised in the financial statements reflect the effect of a range of possible economic outcomes, calculated on a probability-weighted basis, based on the economic scenarios described below. The recognition and measurement of expected credit losses ('ECL') involves the use of estimation. It is necessary to formulate multiple forward-looking economic forecasts and its impact as an integral part of ECL model.

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

Methodology

The Group has adopted the use of three scenarios, representative of its view of forecasted economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the Downside and Upside scenarios. The Group has assigned a 10% probability to the two outer scenarios, while the Central scenario has been assigned an 80% probability. On 8 April 2026, the MPC (Monetary Policy Committee of the RBI) opined that the intensity and the duration of the (West Asia) conflict and the resultant damage to the energy and other infrastructure add risk to the inflation and growth outlooks. However, the fundamentals of the Indian economy are on a stronger footing, providing it with greater resilience to withstand shocks now than in the past.

Additionally, the Group reviewed the appropriateness of the Forward-looking Economic Guidance (FEG) assumptions used for Expected Credit Loss (ECL) assessment under Ind AS 109 by evaluating alternative scenario weightings of 75:15:10 and 80:15:5 for the central, downside and upside scenarios, respectively. In determining the most appropriate scenario, the Group considered (a) the RBI Governor's statement dated 8 April 2026 reaffirming the resilience of the Indian economy and supporting macro-economic indicators, (b) proactive measures undertaken by the Government of India to mitigate inflationary pressures by containing retail fuel price increases, including the reduction in special excise duties on petrol by ₹ 10 per litre and diesel, and (c) the stability of the Group's business operations, EMI default rates and collection efficiencies since the onset of the West Asia conflict.

Based on the above assessment, the scenario weights of 80:10:10 for the central, downside and upside scenarios, respectively, are considered appropriate for an unbiased estimation of the impact of macro-economic factors on ECL. The key scenario assumptions incorporate external economic forecasts and management estimates to ensure objectivity and balance in the measurement of credit risk. The Group will continue to closely monitor macro-economic conditions, geopolitical developments and portfolio performance, and will revise scenario weights and ECL provisions, as necessary, in response to emerging trends and uncertainties.

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

49 Financial risk management (Contd.)

The Group uses multiple economic factors and tests their correlations with past observed default rates witnessed for building its forward economic guidance (FEG) model. During the current year, the Group evaluated various macro factors such as GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), unemployment rate, crude oil prices and policy interest rates. etc.

Real GDP (year on year rate), unemployment rate (year on year rate with lag effect) and inflation reflected higher and acceptable correlation with past observed default rates and basis their linkage with respective companies business, two of these variables with high correlation were considered by respective companies as appropriate. Unemployment has a direct relation with the income levels and so with the growth of the economy from an expenditure side. GDP has a direct relation with the overall income levels and with the broader growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

For unemployment, the Parent Company has relied on data published by a leading business information provider tracking Indian economic indicators. In FY 2025-26, unemployment rate over the quarters has been oscillating around 6.3-7.7%. For the central scenario, it has considered the current unemployment level based on a quarterly average of 6.7% and assumed a gradual normalisation towards a long-term average of 5.2% by end of FY2027. Under the downside scenario, unemployment is assumed to peak at 11.5%, followed by a mean reversion trend, normalising to approximately 7.4%. In the upside scenario, factoring in improving employment trends and industrial recovery indicated by various surveys and studies, unemployment is assumed to improve to a best case level of 3.3% by June–September 2027, before reverting to the long-term average of 7.4%.

For Real GDP growth, the Parent Company has based its assumptions on projections published by the Reserve Bank of India (RBI). With Real GDP growth at 7.3% year on year in Q4 FY 2025-26, it has adopted the RBI's projected growth rate of 6.9% year on year as the central scenario, with growth moderating to 6.3% over a three year horizon. In the downside scenario, considering ongoing uncertainties such as geopolitical developments and tariff related risks, GDP growth is assumed to decline to 3.3% in Q2 FY2027, aligned with the lowest pre COVID-19 levels, before normalising to around 6.3% within the following two years. In contrast, the upside scenario assumes an optimistic growth rate of 10.3% in Q2 FY2027, consistent with the highest pre COVID-19 levels, with growth averaging back to 6.3% over the subsequent two years.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions:

(₹ in crore)

	As at 31 March	
Particulars	**2026**	**2025**
Gross carrying amount of loans	509,243.69	414,826.50
Reported ECL on loans	10,300.15	6,982.36
Reported ECL coverage	2.02%	1.68%
Base ECL without macro-economic provisions	10,165.95	6,915.36
ECL amounts for alternate scenario		
Central scenario (80%)	10,247.50	6,993.11
Downside scenario (10%)	11,524.38	7,550.98
Upside scenario (10%)	9,497.21	6,327.88
Reported ECL	10,300.16	6,982.36
Macro-economic provisions	134.21	67.00
ECL coverage ratios by scenario		
Central scenario (80%)	2.01%	1.69%
Downside scenario (10%)	2.26%	1.82%
Upside scenario (10%)	1.86%	1.53%

50 Employee stock option plan

(A) Employee stock option plan of Bajaj Finance Limited

The Parent Company has an Employee Stock Option Plan, 2009 ('ESOP Plan') duly approved by its Board of Directors and shareholders. As of 31 March 2025, total number of equity shares approved and reserved for issue under the ESOP plan were 35,071,160 equity shares of face value of ₹ 2 each. The ESOP plan covers employees of the Company and that of its Group companies including Parent, subsidiaries, associates and any successor Company thereof.

As of 31 March 2026, consequent to the sub-division of equity shares from a face value of ₹ 2 each into ₹ 1 each and the issuance of bonus equity shares in the ratio of 4:1, total number of equity shares reserved for issue under the ESOP Plan were proportionately adjusted to 350,711,600 equity shares of face value ₹ 1 each.

The options issued under the ESOP Plan vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death and retirement where the vesting would happen immediately.

The Nomination and Remuneration Committee of the Company has approved the following grants to eligible senior and middle level executives of the Company and its subsidiaries in accordance with the ESOP Plan. Details of grants given and the related disclosures up to the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under:

As on 31 March 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 24-May-16	3.59 to 76.54	222,718,000	-	-	189,723,050	32,994,950	-	-
17-May-17	134.78	11,207,500	157,140	-	9,597,360	1,413,630	39,370	157,140
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	5,000	-	700,360	489,640	5,000	5,000
17-May-18	192.00	12,734,160	626,560	-	10,008,960	2,080,400	18,240	626,560
16-May-19	300.28	11,239,000	2,611,006	-	7,735,564	884,570	7,860	2,611,006
19-May-20	193.86	20,542,500	5,399,830	-	13,285,770	1,856,900	-	5,399,830
27-Apr-21	473.66	9,366,430	4,286,570	-	4,350,730	729,130	-	4,286,570
26-Apr-22	700.55	10,037,560	4,511,509	2,340,050	2,071,041	1,114,960	-	6,851,559
25-Jul-22	625.83	193,490	18,860	18,860	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	4,637,510	6,480,350	2,806,819	1,709,291	-	11,117,860
25-Apr-24	732.92	15,366,090	2,722,213	10,213,570	987,932	1,442,375	-	12,935,783
12-Sep-24	734.56	38,900	9,730	29,170	-	-	-	38,900
28-Apr-25	911.20	13,833,250	18,020	12,839,660	-	975,570	-	12,857,680
		344,274,350	25,003,948	31,921,660	241,586,856	45,691,416	70,470	56,925,608

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

50 Employee stock option plan (Contd.)

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10 to 20-May-15	3.59 to 44.82	208,418,000	-	-	177,676,800	30,741,200	-	-
24-May-16	76.54	14,300,000	242,500	-	11,803,750	2,253,750	-	242,500
17-May-17	134.78	11,207,500	474,350	-	9,293,280	1,413,630	26,240	474,350
16-Oct-17	195.31	163,500	-	-	163,500	-	-	-
01-Feb-18	167.79	1,200,000	10,000	-	700,360	489,640	-	10,000
17-May-18	192.00	12,734,160	1,405,900	-	9,257,010	2,062,140	9,110	1,405,900
16-May-19	300.28	11,239,000	3,992,180	-	6,385,890	860,930	-	3,992,180
19-May-20	193.86	20,542,500	6,998,650	-	11,730,400	1,813,450	-	6,998,650
27-Apr-21	473.66	9,366,430	3,602,070	2,058,420	3,017,730	688,210	-	5,660,490
26-Apr-22	700.55	10,037,560	3,824,530	4,737,290	654,060	821,680	-	8,561,820
25-Jul-22	625.83	193,490	-	37,720	155,770	-	-	37,720
26-Apr-23	607.53	15,633,970	2,865,240	10,861,110	995,610	912,010	-	13,726,350
25-Apr-24	732.92	15,366,090	-	14,946,170	-	419,920	-	14,946,170
12-Sep-24	734.56	38,900	-	38,900	-	-	-	38,900
		330,441,100	23,415,420	32,679,610	231,834,160	42,476,560	35,350	56,095,030

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

Particulars	FY2025-26	FY2024-25	FY2024-25
Grant date	28-Apr-25	25-Apr-24	12-Sep-24
No. of options granted	13,833,250	15,366,090	38,900
Weighted average fair value (₹)	350.67	312.05	302.56

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

As on 31 March 2026

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	56,095,030	76.54-734.56	551.46	4.82
Granted during the year	13,833,250	911.20	911.20	
Cancelled during the year	3,214,856	192.00-911.20	736.13	
Lapsed during the year	35,120	134.78-300.28	191.39	
Exercised during the year	9,752,696	76.54-732.92	446.98	
Outstanding at the end of the year	56,925,608	134.78-911.20	646.58	4.65
Exercisable at the end of the year	25,003,948	134.78-911.20	480.41	2.77

50 Employee stock option plan (Contd.)

As on 31 March 2025

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	54,897,890	44.82-700.55	443.13	4.80
Granted during the year	15,404,990	732.92-734.56	732.92	
Cancelled during the year	1,643,380	473.66-732.92	658.39	
Lapsed during the year	22,240	134.78-192.00	158.21	
Exercised during the year	12,542,230	44.82-700.55	286.86	
Outstanding at the end of the year	56,095,030	76.54-734.56	551.46	4.82
Exercisable at the end of the year	23,415,420	76.54-700.55	385.89	2.91

The weighted average market price of equity shares for options exercised during the year is ₹ 943.60 (Previous year ₹ 754.27).

Method used for accounting for share based payment plan

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

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Exercise price (₹)*	Options granted	Vesting period
25-Apr-24	7.10%	3.5 - 6.5 years	36.87%	0.41%	732.92	15,366,090	4 years on SLM basis
12-Sep-24	6.68%	3.5 - 6.5 years	36.29%	0.49%	734.56	38,900	4 years on SLM basis
28-Apr-25	6.11%	3.5 - 6.5 years	33.03%	0.40%	911.20	13,833,250	4 years on SLM basis

*Price of the underlying share in the market at the time of the option grant

For the year ended 31 March 2026, the Group has accounted expense of ₹ 407.53 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 377.00 crore). The balance in employee stock option outstanding account is ₹ 1,157.76 crore as of 31 March 2026 (Previous year ₹ 934.86 crore).

(B) Employee stock option plan of Bajaj Finserv Limited

The Nomination and Remuneration Committee of the holding Company has approved grant of 183,050 stock options at an exercise price of ₹ 1,482.64, adjusted for split and bonus, having a bullet vesting of 5 years to select employees of the Group in accordance with the Stock Option Scheme of the Holding Company. The weighted average fair value of the option granted is ₹ 689.20. There has been no vesting and excercise during the year. As of 31 March 2026, the number of stock option outstanding (net of cancellation) is 119,930.

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

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Exercise price (₹)*
28-Apr-22	6.75%	6 years	34.19%	0.02%	1,482.64

*Price of the underlying share in the market at the time of the option grant

For the year ended 31 March 2026, the Group has recognised ₹ 1.59 crore as employee benefit expenses (note no. 35) on the aforesaid employee stock option plan (Previous year ₹ 5.09 crore)

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

50 Employee stock option plan (Contd.)

(C) Employee stock option plan of Bajaj Housing Finance Limited

Details of grants given up to the reporting date by BHFL under the scheme are given as under:

As on 31 March 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
24-Apr-24	54.50	16,751,673	3,501,869	11,314,938	515,305	1,419,561	-	14,816,807
04-Jan-25	126.38	486,445	160,527	325,918	-	-	-	486,445
23-Apr-25	131.16	9,108,697	-	8,849,335	-	259,362	-	8,849,335
		26,346,815	3,662,396	20,490,191	515,305	1,678,923	-	24,152,587

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
24-Apr-24	54.50	16,751,673	-	16,068,695	-	682,978	-	16,068,695
04-Jan-25	126.38	486,445	-	486,445	-	-	-	486,445
		17,238,118	-	16,555,140	-	682,978	-	16,555,140

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

Particulars	FY2025-26	FY2024-25	
Grant date	23-Apr-25	24-Apr-24	04-Jan-25
No. of options granted	9,108,697	16,751,673	486,445
Weighted average fair value (₹)	55.50	24.54	51.43

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

For the year ended 31 March 2026

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	16,555,140	54.5 - 126.38	56.61	6.58
Granted during the year	9,108,697	131.16	131.16	
Cancelled during the year	995,945	54.5 - 131.16	74.46	
Lapsed during the year	-	-	-	
Exercised during the year	515,305	54.50	54.50	
Outstanding at the end of the year	24,152,587	54.5 - 131.16	84.04	5.96
Exercisable at the end of the year	3,662,396	54.5 - 126.38	57.65	4.10

50 Employee stock option plan (Contd.)

For the year ended 31 March 2025

For all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	17,238,118	54.50 - 126.38	56.53	
Cancelled during the year	682,978	54.50	54.50	
Lapsed during the year	-	-	-	
Exercised during the year	-	-	-	
Outstanding at the end of the year	16,555,140	54.50 - 126.38	56.61	6.58
Exercisable at the end of the year	-	-	-	-

The weighted average market price of equity shares for options exercised during the year ended 31 March 2026 is ₹ 119.32.

Method used for accounting for share based payment plan

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

Grant date	Risk Free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)	Options granted	Vesting period
24-Apr-24	7.05%	3.5 - 6.5 years	38.46%	Nil	54.50	16,751,673	1- 4 years on SLM basis
04-Jan-25	6.63%	3.5 - 5.5 years	36.57%	Nil	126.08	486,445	1- 3 years on SLM basis
23-Apr-25	6.08%	3.5 - 6.5 years	36.78%	Nil	131.16	9,108,697	1- 4 years on SLM basis

For the period ended 31 March 2026, the Company has accounted expense of ₹ 32.06 crore as employee benefit expenses on the aforesaid employee stock option plan (Previous year ₹ 16.97 crore). The balance in employee stock option outstanding account is ₹ 48.01 crore as of 31 March 2026 (Previous year ₹ 16.97 crore).

51 Ultimate beneficiary

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

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

Notes to consolidated financial statements for the year ended 31 March 2026 (Contd.)

52 Relationship with struck off companies

(₹ in crore)

S. No.	Name of struck off Company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding as at 31 March 2026	Balance outstanding as at 31 March 2025
1	Abhilash Global Corporation Private Limited	Loan receivable	No	-	0.02
2	Adwave Publicity & Media Private Limited	Loan receivable	No	-	-
3	Alpic Formulations Private Limited	Loan receivable	No	-	0.02
4	Astroid Pharma Private Limited	Loan receivable	No	-	0.01
5	Criper Garments (India) Private Limited	Loan receivable	No	-	-
6	CSE Computer Solutions East Private Limited	Loan receivable	No	0.29	0.38
7	D.H. Power Engineers Private Limited	Loan receivable	No	-	-
8	DVR Marine Exports Private Limited	Loan receivable	No	0.09	0.11
9	Enkoway Motors Private Limited	Loan receivable	No	-	-
10	Farm Protector Private Limited	Loan receivable	No	-	-
11	First Office Solutions India Private Limited	Loan receivable	No	-	0.01
12	Grabstance Technologies Private Limited	Loan receivable	No	-	-
13	Green Way Super Market Private Limited	Loan receivable	No	-	0.11
14	Hyper Collective Creative Technologies Private Limited	Loan receivable	No	-	-
15	Indira Smart Systems Private Limited	Loan receivable	No	0.05	0.07
16	Koolair Systems Private Limited	Loan receivable	No	-	-
17	Lift And Tech Engineering Contractors Private Limited	Loan receivable	No	-	-
18	Mahakash Sales Private Limited	Loan receivable	No	-	-
19	Mechwing Engineering & Services Private Limited	Loan receivable	No	-	-
20	Memmo Global Telecommunications Private Limited	Loan receivable	No	-	-
21	Multitech System Industrial Automation Private Limited	Loan receivable	No	-	-
22	Nature Bless International Private Limited	Loan receivable	No	-	-
23	Satidham Industries Private Limited (Equity shares of face value ₹ 10 and ₹ 50,000. Previous Year ₹ 40,000)	Shares Held		-	-
24	Sawalka Autotech Private Limited	Loan receivable	No	-	1.17
25	Smart Choice Retail Private Limited	Loan receivable	No	-	-
26	Spice Flora (India) Private Limited	Loan receivable	No	-	-
27	Sri Beera Barji Trading Co. Private Limited	Loan receivable	No	-	-
28	Sustainable Technologies & Environmental Projects Private Limited	Loan receivable	No	-	-
29	Tulsians Kharidiye Private Limited	Loan receivable	No	-	-
30	Volando Tours Private Limited	Loan receivable	No	-	-
31	Yayin Enterprises Private Limited	Loan receivable	No	-	-
32	Aleem Autos Private Limited	Payables	No	-	-
33	Fident Wealth Private Limited	Payables	No	-	-
34	Impact Agencies Private Limited	Payables	No	-	-
35	Keen Financial Services Private Limited	Payables	No	-	-
36	Daytoday Technologies (OPC) Private Limited	Payables	No	-	-
37	Visakam Motors Private Limited	Payables	No	-	-

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

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

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

For the financial year ended 31 March 2026 and previous year ended 31 March 2025, the quarterly statements or returns of current assets filed by the Group with banks or financial institutions are in agreement with books of accounts.

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

As per our report of even date

On behalf of the Board of Directors

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

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

Rajeev Jain
Vice Chairman and
Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sharad Agarwal
Partner
Membership number: 118522

Suhas Deshpande
Partner
Membership number: 031787

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit
Committee
DIN - 01361110

Pune: 29 April 2026

R Vijay
Company Secretary

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014)

Part A: Subsidiaries

(₹ in crore)

1	CIN	L65910PN2008PLC132228	U67120PN2010PLC136026
2	Name of the subsidiary	Bajaj Housing Finance Limited	Bajaj Financial Securities Limited
3	The date since when subsidiary was acquired	01.11.2014	10.08.2018
4	Provisions pursuant to which the Company has become a subsidiary (section 2 (87)(i)/section 2(87)(ii)	Section 2(87)(ii)	Section 2(87)(ii)
5	Reporting period for the subsidiary concerned, if different from the Holding Company's reporting period	NA	NA
6	Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	NA	NA
7	Share capital	8,328.66	1,400.41
8	Reserves & surplus	14,194.13	685.56
9	Total assets	127,147.05	11,461.87
10	Total liabilities	104,624.26	9,375.89
11	Investments	2,502.21	583.54
12	Turnover	11,150.29	1,069.72
13	Profit before taxation	3,320.02	273.34
14	Provision for taxation (net)	759.68	70.76
15	Profit after taxation	2,560.34	202.58
16	Proposed dividend	NA	NA
17	% of shareholding	86.70%	100%

Number of subsidiaries which are yet to commence operations - Not applicable

Number of subsidiaries which have been liquidated or have ceased to be a subsidiary during the year - Not applicable

Part B: Associates and Joint Ventures –

(₹ in crore)

1	Name of the associates	Snapwork Technologies Private Limited	Pennant Technologies Private Limited
2	Date on which the associate was associated	25.11.2022	19.01.2024
3	Latest audited Balance Sheet date	31.03.2026	31.03.2026
4	Shares of Associate held by the Company on the year end		
	-Number	65,098*	994,006*
	-Amount of investment in associate	92.74	267.47
	-Extend of holding %	41.50%*	26.53%*
5	Description of how there is significant influence	By way of shareholding	By way of shareholding
6	Reason why the associate is not consolidated	N.A	N.A
7	Net worth attributable to shareholding as per latest audited Balance Sheet	58.02	87.29
8	Profit/Loss for the year		
	-Considered	5.43	11.03
	-Not Considered	-	-

* On fully diluted basis

Number of associates which are yet to commence operations – Not applicable

Number of associates which have been liquidated or have ceased to be associate during the year – Not applicable

On behalf of the Board of Directors

Rajeev Jain
Vice Chairman and Managing Director
DIN - 01550158

Sanjiv Bajaj
Chairman
DIN - 00014615

Sandeep Jain
Chief Financial Officer

Anami N Roy
Chairman - Audit Committee
DIN - 01361110

R Vijay
Company Secretary

Pune: 29 April 2026