Directors' Report

Contents

Dear Shareholders,

Your directors have pleasure in presenting the thirty-ninth Annual Report along with the audited standalone and consolidated financial statements for Financial Year 2025-26 (or FY2026).

Company overview

Bajaj Finance Limited, (the 'Company' or 'BFL' or 'Bajaj Finance'), is a public limited company incorporated on 25 March 1987 under the Companies Act, 1956. The Company is listed on BSE Limited and National Stock Exchange of India Limited. The Company stood at 8th rank based on average market capitalisation from 1 July 2025 to 31 December 2025 as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'). It is also registered as a corporate agent with the Insurance Regulatory and Development Authority of India ('IRDAI').

Bajaj Finance is one of India's leading and most diversified financial services companies, serving 119 million customers, digitally via our app and web and at 4,098 locations and 242,000 active distribution points across the country. At the heart of our business lies innovation and financial inclusion. For over 38 years, the Company has served India by enabling access to wide range of financial services, from loans and fixed deposits to payments and investments to wide spectrum of customers.

Financial Results

The highlights of the standalone financial results are given below:

(₹ in crore)

Particulars	FY2026	FY2025	% change over FY2025
Interest income	61,357	51,549	19%
Interest and finance charge	21,417	18,436	16%
Net interest income	**39,940**	**33,113**	**21%**
Fees, commission, and other income	8,497	7,015	21%
Net Total Income	**48,437**	**40,128**	**21%**
Total operating expenses	16,641	13,969	19%
Pre-impairment operating profit	**31,796**	**26,159**	**22%**
Impairment on financial instruments	9,290	7,027	32%
Profit before tax	**23,672**	**21,676**	**9%**
Profit after tax	**17,804**	**16,662**	**7%**
Retained earnings as at the beginning of the year	**44,459**	**33,359**	**33%**
Profit after tax	17,804	16,662	7%
Retained earnings before appropriations	**62,263**	**50,021**	**24%**
Appropriations			
Transfer to reserve fund u/s 45-IC (1) of the RBI Act, 1934	3,562	3,335	7%
Dividend paid	3,478	2,226	56%
Other	7	-	-
Retained earnings as at the end of the year	**55,216**	**44,459**	**24%**

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

Transfer to Reserve Fund

Under section 45-IC (1) of Reserve Bank of India ('RBI') Act, 1934, non-banking financial companies ('NBFCs') are required to transfer a sum not less than 20% of its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 3,562 crore to its reserve fund.

Pursuant to section 71 of Companies Act, 2013 (the 'Act') read with rule 18 of the Companies (Share Capital and Debentures) Rules, 2014, the Company, being an NBFC, is exempt from creating debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfil its obligations arising out of debentures. In case of secured debentures, an asset cover of at least 100% is maintained at all times.

Dividend

Pursuant to the provisions of regulation 43A of the SEBI Listing Regulations and in accordance with the RBI guidelines, the Company has in place a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. The said policy is annexed to this Report and is also available on the website of the Company at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-distribution-policy-v4?scl=1&fmt=pdf

Further, there has been no change in any of the parameters in the policy during the year.

In accordance with the aforesaid policy, the Board, after taking into account various aspects and in compliance with the said regulation, at its meeting held on 29 April 2026 has recommended a final dividend for members approval, as mentioned below:

Final Dividend:

Final dividend of ₹ 6 per equity share (600% of face value of ₹ 1) for the financial year ended 31 March 2026 is recommended for consideration of the members at the ensuing Annual General Meeting ('AGM'). This includes a special payout of ₹ 0.60 per equity share out of the exceptional gain on sale of shares of Bajaj Housing Finance Ltd., subsidiary of the Company. The total dividend pay-out on account of final dividend is ₹ 3,733 crore, considering the capital base as on 31 March 2026.

Total dividend proposed for the year does not exceed the ceilings specified in the relevant RBI Directions.

The record date fixed for the purpose of final dividend is 30 June 2026.

The said dividend will be taxable in the hands of the members of the Company in accordance with the applicable Income Tax provisions. For further details on taxability, members are requested to refer to the Notice of 39th Annual General Meeting.

Working Results of the Company

On a consolidated basis, the Company has recorded AUM growth of 22% and growth in profit after tax of 15% in FY2026 as against AUM and profit after tax growth of 26% and 16%, respectively, in FY2025. With its strong AUM and profit growth in FY2026, the Company has further increased its share in the financial services sector in India. Return on average assets ('ROAA') and return on average equity ('ROAE') for FY2026 was 4.3% and 18.1% respectively on a consolidated basis.

The Company's business model continues to generate healthy pre-impairment operating profits enabling it to withstand higher credit losses in times of stress. It remains well capitalised with a capital-to-risk weighted asset ratio ('CRAR') of 21.55% as on 31 March 2026 – making it among the best capitalised large NBFCs in India.

As a result of its deeply embedded risk culture and robust risk management practices, the Company's portfolio quality as of 31 March 2026 continues to remain strong. The Company's consolidated Gross NPA at 1.01% and Net NPA at 0.41% are among the lowest in the industry.

Using its robust risk management and portfolio monitoring framework, the Company absorbed enhanced credit costs based on emerging trends across its different portfolios. It holds a management overlay provision on account of volatile macroeconomic factors of ₹ 134 crore on consolidated basis as on 31 March 2026.

The consolidated performance highlights for FY2026 are given below:

- Number of new loans booked: 119 million
- AUM grew by 22% to ₹ 509,975 crore
- Net interest income ('NII') rose by 21% to ₹ 44,110 crore
- Net total income ('NTI') rose by 21% to ₹ 53,324 crore
- Total operating expenses ('Opex') grew by 19% to ₹ 17,776 crore
- Opex to NTI stood at 33.3%
- Pre-impairment operating profit rose by 22% to ₹ 35,548 crore
- Impairment on financial instruments was ₹ 9,482 crore
- Profit before tax ('PBT') increased by 17% to ₹ 25,817 crore
- Profit after tax ('PAT') increased by 15 % to ₹ 19,332 crore
- Capital adequacy ratio as of 31 March 2026 was 21.55%, which is well above the RBI norms. Tier I adequacy ratio was 20.67%.

For more details on the performance of the Company and business segments refer Management Discussion and Analysis.

Material Changes and Commitments

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

Subsidiaries, Associates and Joint Venture

The Company has the following subsidiaries and associate companies as on 31 March 2026:

Sr. No.	Name of Entity	% of equity stake	Relationship	Business activity
1.	Bajaj Housing Finance Limited	86.70	Subsidiary	Housing finance
2.	Bajaj Financial Securities Limited	100	Subsidiary	Stock broking and depository participant
3.	Snapwork Technologies Private Limited	41.5*	Associate	Software development for financial services
4.	Pennant Technologies Private Limited	26.53*	Associate	Software development for financial services

*On diluted basis

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

During FY2026, no new subsidiary or associate was incorporated/acquired. The Company has not entered into a joint venture with any other company.

More details on subsidiaries and associates, including their performance, business, etc. are given in the Management Discussion and Analysis.

Particulars of Loans, Guarantees and Investments

The Company, being an NBFC registered with the RBI and engaged in the business of giving loans in the ordinary course of its business, is exempted from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made, guarantee given, or security provided.

Strategic Investments

- **Protectt.ai Labs Private Limited ('Protectt.ai')**

  During the year under review, the Company has acquired a 12% equity stake in Protectt.ai for an aggregate consideration of up to ₹ 66 crore.

  Protectt.ai is a cybersecurity product company offering solutions across mobile application security, mobile device security, mobile transaction security, and AI security.

  Incorporated in 2020, Protectt.ai has built an active customer base of over 60 clients with zero customer attrition to date. While its current customer base is entirely domestic, Protectt.ai has recently established offices in the Middle East and the United States to support international expansion.

- **Status of other strategic investments are as under:**

Sr. No.	Company	Holding (in equity stake)
1.	Bajaj Finserv Direct Limited	• 19.90% is held by Company. • 80.10% is held by Bajaj Finserv Limited, the holding Company
2.	One MobiKwik Systems Limited	10.14%
3.	RMBS Development Company Limited	7%

The Company during the year scaled down its investments in RBL Bank Limited.

Further details of investments are provided in the financial statements.

Directors and Key Managerial Personnel ('KMP')

A. Change in Directors during the financial year:

i. Anup Saha (DIN: 07640220)

The Board, based on the recommendation of Nomination and Remuneration Committee elevated Anup Saha as the Managing Director of the Company effective 1 April 2025 for the remainder of his tenure i.e. up to 31 March 2028.

However, during the year under review, Anup Saha resigned as Managing Director and Director from the Board of the Company with effect from close of business hours on 21 July 2025 due to personal reasons. Accordingly, he ceased to be the KMP within the meaning of section 2(51) of the Act.

ii. Rajeev Jain (DIN: 01550158)

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

Consequent to the resignation of Anup Saha and in the interest of continuity of management, the Board, pursuant to the recommendation of Nomination and Remuneration Committee of the Company and the applicable provisions of the Companies Act, 2013, has, in addition to Rajeev Jain's existing powers and roles as Executive Vice Chairman of the Company, vested him with the powers, roles and responsibilities of management of the Company and re-designated him as Vice Chairman and Managing Director of the Company for the remainder of his term.

B. Directors liable to retire by rotation:

Rajiv Bajaj (DIN: 00018262), being the Director longest in office among those liable to retire by rotation, shall retire at the ensuing Annual General Meeting and has expressed his intention not to seek re-appointment.

Accordingly, it is proposed to change the status of Sanjiv Bajaj (DIN: 00014615), presently a Director not liable to retire by rotation, as a Director liable to retire by rotation, subject to the approval of the Members.

Brief details of Sanjiv Bajaj are given in the Notice of 39th AGM.

C. KMPs:

Save and except as stated above, there were no other changes in the KMPs during FY2026.

Composition of Committees

The details of all the Board Committees including composition, attendance, terms of reference, etc, are provided under Report on Corporate Governance. Pursuant to section 177 and section 135 of Act, the composition of Audit Committee and Corporate Social Responsibility Committee are provided hereunder:

- **Audit Committee**

  The composition as on 31 March 2026 is as follows:

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

Further details on Audit Committee, brief terms of reference, and attendance records of members are given in the Report on Corporate Governance.

During FY2026, all recommendations of the Audit Committee were accepted by the Board.

- **Corporate Social Responsibility ('CSR')**

  The composition as on 31 March 2026 is as follows:

Sr. No.	Name of Director	Category
1.	Dr. Naushad Forbes	Chairman, Non-executive, Independent
2.	Sanjiv Bajaj	Non-executive, Non-independent
3.	Rajeev Jain	Executive, Non-independent

Further, Anami N Roy, has been inducted as a member of the Committee with effect from 1 April 2026.

The CSR policy has been hosted on the website of the Company and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-social-responsibility-v8?scl=1&fmt=pdf.

The CSR obligation of the Company for FY2026 is ₹ 333.97 crore. As on 31 March 2026, total amount spent on CSR activities by Company is ₹ 318.81 crore.

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

The unspent amount primarily pertains to ongoing projects commenced during the year under review. The ongoing projects generally span over a period of 2 to 3 years and have milestone-based payments as per agreed outcomes. The earmarked amount for FY2026 for these ongoing projects have been spent and the remaining are due in the upcoming years, and hence the shortfall. Accordingly, the Company has opened the prescribed bank account to transfer unspent amount of ₹ 15.16 crore.

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

Customer Engagement

Customer engagement and experience remain foundational pillars of our organisation. We are committed to upholding customer fairness in both letter and spirit across all interactions. Proactive engagement enables institutions to generate actionable insights, strengthen risk management, ensure regulatory compliance, and accelerate the adoption of new technologies. In an increasingly dynamic environment, prioritising customer experience is essential to maintaining competitiveness, deepening relationships, and driving sustainable, long-term growth.

To strengthen customer engagement and oversight, the Board has constituted a Customer Service Committee ('CSC') led by an Independent Director. Additionally, a Customer Service Standing Committee enables senior management to regularly review initiatives aimed at delivering an exceptional customer experience.

The Company adopts a customer-centric approach through multiple communication and service channels that ensure timely resolution of customer queries. Dedicated customer experience teams across operations and businesses drive continuous improvement, measurement, and a strong customer-first culture.

Further details on the Customer Service Committee, brief terms of reference and attendance record of members are given in the Report on Corporate Governance.

Initiatives of the Company towards customer engagement are detailed in the Management Discussion and Analysis.

Risk Management Framework

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

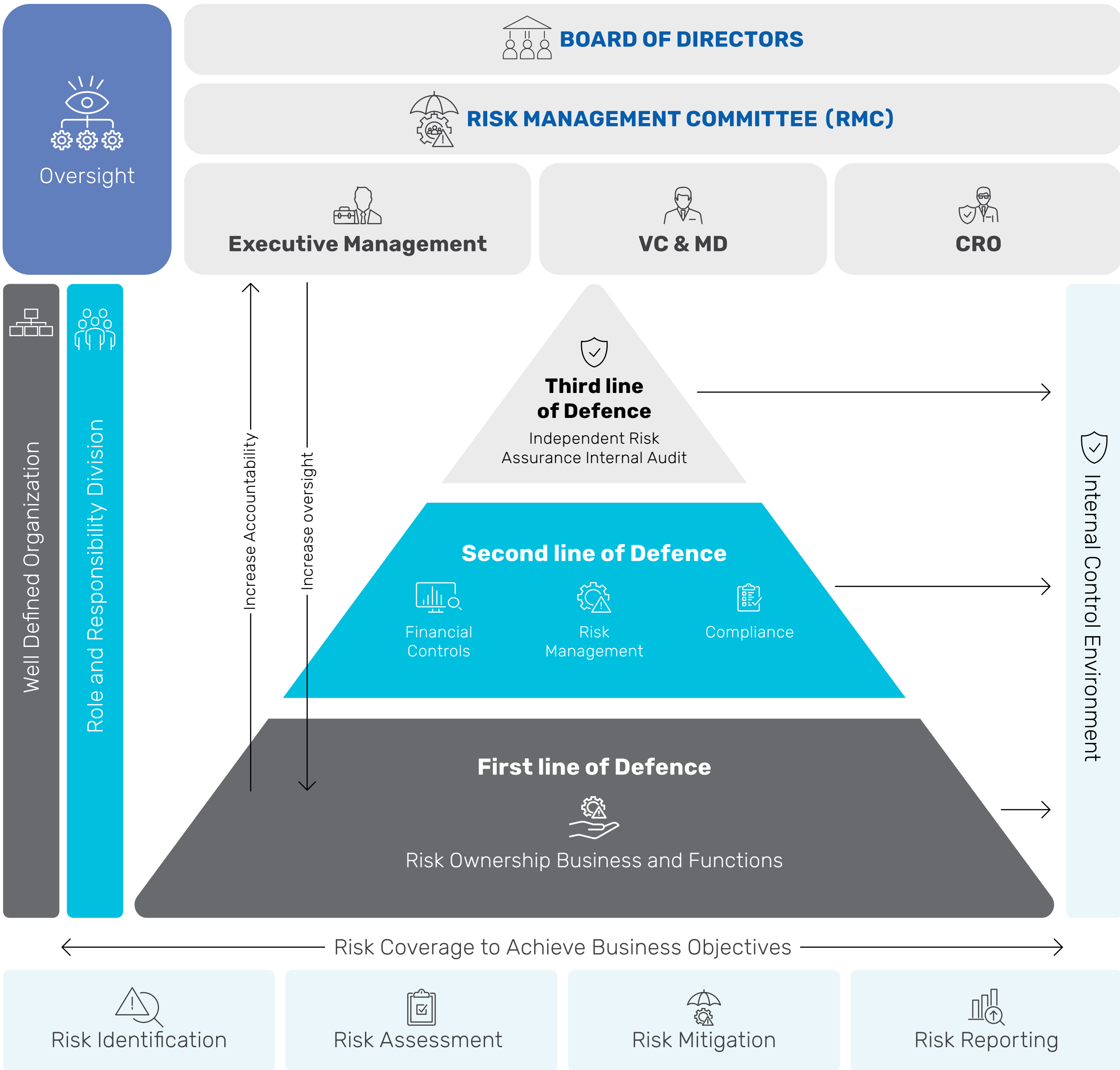
This framework, *inter alia*, provides a set of components that provide the foundations and organisational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organisation. It covers principles of risk management, risk governance with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

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

The Board has established a comprehensive Company-wide risk management approach that ensures risks are identified, assessed, monitored, and managed in a structured and consistent manner across all business and support functions.

Risk Management Framework of the Company comprises of:

Risk Governance	The Board retains overall responsibility for risk oversight and approves the Risk Management Policy. The Risk Management Committee assists the Board in reviewing the Company's risk profile, monitoring key risk exposures, and ensuring constant alignment. The Chief Risk Officer leads the risk management function and is responsible for implementation of the framework, providing independent oversight, and escalating material risks to senior management and the Board.
Organisation structure	The Company follows the three Lines of Defence model to ensure clear segregation of duties and accountability. Business functions constitute the first line and are responsible for owning and managing risks. The Risk and Compliance functions act as the second line, providing oversight, challenge, and guidance. The Internal Audit function serves as the third line, offering independent assurance on the effectiveness of risk management practices and internal controls.
Risk Culture	Continuous training and awareness initiatives are undertaken to enhance employees' understanding of risk management practices and their role in maintaining a sound control environment. Employee awareness initiatives are also undertaken focused on risk types such as Operational Risk, Cyber security, Information security, Outsourcing Risk, Conduct Risk, etc.
Risk Management Approach	The risk management processes are guided by well-defined policies appropriate for various risk categories, independent risk oversight, and periodic monitoring through the sub-committees of the Board.



Key Material Risks – The nature of the Company's business activities, coupled with the evolving regulatory landscape and broader external environment, exposes the Company to a range of risks. These risks are reviewed and monitored regularly to maintain oversight on change in risk profile.

Credit Risk

Risk of loss from borrower failure.

KEY MITIGATION MEASURES

- Underwriting standards
- Diversification
- Reviews

Market Risk

Risk from market movements.

KEY MITIGATION MEASURES

- ALM
- Monitoring
- Hedging
- Stress testing

Liquidity Risk

Risk of inability to meet obligations

KEY MITIGATION MEASURES

- Liquidity buffers
- Funding sources
- Gap analysis

Operational Risk

Risk from failed internal processes.

KEY MITIGATION MEASURES

- Internal controls
- RCSA
- Automation

Cyber & Data Risk

Risk of breaches & security failures.

KEY MITIGATION MEASURES

- Security framework
- Encryption
- Assessments

Compliance Risk

Risk of legal/ regulatory sanctions.

KEY MITIGATION MEASURES

- Compliance framework
- Monitoring
- Testing

Reputational Risk

Risk of adverse public perception.

KEY MITIGATION MEASURES

- Governance
- Brand management
- Redressal

ESG Risk

Risks from ESG factors

KEY MITIGATION MEASURES

- ESG policy framework
- Governance oversight

Further details on the Risk Management Committee, brief terms of reference and attendance record of members are given in the Report on Corporate Governance.

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

Fraud monitoring and reporting

During the year under review, instances of frauds were reported to the "Special Committee for Monitoring and follow up of cases of fraud" (hereinafter referred as 'FMC') and Audit Committee of the Board. The aggregate amount involved in these cases was approximately ₹ 65.16 crore. These cases, *inter alia*, included forgery, identity theft and misappropriation of funds.

Out of the above, an aggregate amount of approximately ₹ 15.37 crore was found to have involvement of employee(s). Following the detection, the services of concerned employee(s) were terminated. As a preventive measure, the Company has also undertaken steps to educate other employees through targeted communication and internal awareness initiatives to strengthen vigilance and mitigate the risk of similar incidents in the future.

Approximately ₹ 13.93 crore has been recovered till date. None of the above reported frauds had involvement of the Management or an employee having a significant role in the Company's internal control system over financial reporting.

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

The Company has a robust and evolving fraud prevention & detection framework. key drivers includes enhanced front-end validations, automated fraud deduplication, and advanced early warning systems with analytics.

Further details on the FMC, brief terms of reference and attendance record of members are given in the Report on Corporate Governance.

Internal Capital Adequacy Assessment Policy ('ICAAP')

Pursuant to Master Direction - Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025 issued by the RBI in supersession of the erstwhile Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 issued by RBI on 19 October 2023 ('RBI Scale Based Regulations'), NBFCs are required to have an ICAAP in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business and also to encourage an NBFC to develop and use better internal risk management techniques for monitoring and managing its risks. Accordingly, the Company has framed an ICAAP policy and document.

The document encompasses the assessment of material risks to which the Company is exposed and measures taken to mitigate those risks. It has completed its ICAAP for FY2025 in line with its Board approved ICAAP policy. Based on assessment of all the material risks applicable to it and reviewing the controls and risk mitigation techniques, the Company is not required to maintain any additional capital.

Information Technology Governance and Cyber Security

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

During the year under review, a cyber security awareness programme was conducted for senior management and CXOs. It, *inter alia*, covered, emerging technology risks like AI and quantum computing, new developments and issues relating to cyber and information security, understanding of cyber security trends including recent cyber frauds and attacks, etc. Further, on an annual basis, employees of the Company have undergone IT security trainings.

The Company continues to enhance cyber security and information security aspects while transforming to a customer-centric digital enterprise. It has the capability to offer remote access for identified IT vendors/ partners to enable full resources for user support, data center support, application maintenance and testing. All IT systems are compliant to ISO 27001 Information Security Management System and ISO 22301 Business Continuity Standard. The Company also has a dedicated cyber security and information security team to ensure technical expertise and regulatory as well as internal compliance for Information Technology.

There is an active engagement with stakeholders, including senior management team, in scenario-based cyber drills to evaluate our readiness to respond to potential cyber threats. Furthermore, security operations are being overhauled to strengthen our detection and response capabilities, while also advancing our proactive threat-hunting measures. Key endeavours include enhancing cyber insurance coverage and scope, implementation of security measures like Software Bill of Material (SBOM), establishing on premises 24X7 Security Operations Center (SOC), formulating AI Governance and security policy, dedicated team for AI governance and security.

The Company has implemented an Outsourcing Policy in line with regulatory requirements. The Company has an Outsourcing Compliance Committee. The Committee is responsible for:

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

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

Further details on the IT Strategy Committee, brief terms of reference and attendance record of members are given in the Report on Corporate Governance.

Number of Meetings of the Board

Eight (8) meetings of the Board were held during FY2026. Details of the meetings and attendance thereat forms part of the Report on Corporate Governance.

Independent Directors' Meeting

Pursuant to the Act and SEBI Listing Regulations, the independent directors must hold at least one meeting in a financial year without attendance of Non-independent directors and members of the Management. Accordingly, independent directors of the Company met on 23 March 2026 and:

- noted the report of performance evaluation of the Board and committees for the FY2026;
- reviewed the performance of Non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Board, taking into account the views of executive and Non-executive directors; and
- assessed the quality, quantity, and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

Suggestions of the Independent Directors were noted by the Board.

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

Declaration by Independent Directors

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

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

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

Formal Annual Evaluation of the performance of the Board, its Committees and Directors

Pursuant to section 178 of the Act, the Nomination and Remuneration Committee ('NRC') and the Board has decided that the evaluation shall be carried out by the Board only and the NRC will only review its implementation and compliance.

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

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

The manner in which formal annual evaluation of performance was carried out by the Board for the year 2025-26 is given below:

- Based on the criteria approved by the Board, a questionnaire-cum-rating sheet was circulated for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson, and individual directors.

- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson, and individual directors for the year 2025-26 and a consolidated report thereof were arrived at.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 17 March 2026.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 23 March 2026.
- Based on the report and evaluation, the NRC and Board at their above said meetings, determined that the appointment of all independent directors may continue.
- Details on the evaluation of the Board, Non-independent directors, and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 23 March 2026 have been furnished in a separate paragraph elsewhere in this Report.
- During the year under review, the process followed by the Company was reviewed by the NRC, which opined these to be compliant with applicable provisions and found it to be satisfactory.
- The evaluation criteria for Independent Directors as required under Chapter VI–D of the SEBI Master Circular dated 30 January 2026 can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/performance-evaluation-criteria-27-january-2025-finalpdf?scl=1&fmt=pdf. The feedback provided by the directors was noted.

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

Succession Planning

The Company has a structured and institutionalised succession planning framework designed to ensure leadership continuity under both anticipated and unforeseen circumstances. The framework is reviewed and refreshed annually to remain aligned with the Company's strategic priorities and evolving business needs.

Key elements of the framework include:

- **Strategic Workforce Alignment:** Succession planning is anchored to the Company's Long-Range Strategy (LRS) and Annual Operating Plan (AOP), ensuring that leadership capability requirements are proactively identified and planned in line with future strategic objectives.
- **Performance and Culture Linked Assessment:** The performance appraisal process enables consistent identification of leaders demonstrating sustained performance against goals, as well as leadership behaviours aligned to the organisation's cultural anchors.
- **Enterprise Talent Management Process:** A structured bi-annual Talent Management exercise identifies Top Talent, High Potential leaders, and Core Contributors, culminating in the development of a robust succession bench for senior and critical leadership roles.
- **Leadership Development through Role Rotation:** A formal Job Rotation Policy supports the development of senior leaders through planned role transitions, aimed at broadening exposure, strengthening cross-functional understanding, and building well rounded leadership capability.

Remuneration Policies

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

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

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

Hitherto, Company has not paid any commission and sitting fees to its Independent Directors for attending separate meetings of Independent Directors. Considering the value addition from these meetings to Management and the Board as a whole, the Board at its meeting held on 29 April 2025, has approved the payment of sitting fees of ₹ 100,000 and Commission of ₹ 500,000 per meeting, for separate meeting of Independent Directors. Consequently, the policy was amended.

In view of detailed RBI Guidelines for NBFCs concerning compensation of KMP and SMT, the Company has in place a specific policy to this effect.

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

Pursuant to RBI Directions, the Company has adopted a Board approved policy exclusively governing compensation payable to KMP and SMT. During the year under review, in line with best practices followed by banks, the categories of employee covered under the policy has been amended to include the identified Material Risk Takers ('MRT'). This policy lays down detailed framework, *inter alia*, encompassing the following:

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

The aforesaid policies can be accessed at:

- https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-companies-act-2013-v4?scl=1&fmt=pdf and
- https://cms-assets.bajajfinserv.in/is/content/bajajfinance/annexure-4f-policy-for-compensation-of-kmp-and-senior-managementpdf?scl=1&fmt=pdf

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

Related Party Transactions

All contracts/arrangement/transactions entered by the Company during FY2026 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Approval of the Audit Committee was obtained for all related party transactions entered during FY2026 as per SEBI Listing Regulations. Such transactions are reviewed by the Audit Committee on a quarterly basis.

The Company had engaged an independent law firm to review the transactions carried out with related parties during FY2026, to affirm that the transactions were entered into on an arm's length basis. The said firm, based on its review has concluded that the aforementioned transactions were entered into on an arm's length basis.

Pursuant to regulation 23(1) of SEBI Listing Regulations, 2015, a transaction with a related party was considered material if the transaction, individually or taken together with previous transactions during a financial year, exceeded ₹ 1,000 crore or 10% of the annual consolidated turnover of the Company as per the last audited financial statements, whichever was lower.

Accordingly, approval of shareholders was obtained at the last Annual General Meeting held on 24 July 2025 for transactions with Bajaj Housing Finance Ltd., (subsidiary) for an aggregate amount of ₹ 12,612 crore and with Bajaj Life Insurance Ltd., fellow subsidiary (formerly know as Bajaj Allianz Life Insurance Company Ltd.) for an aggregate amount of ₹ 1,445 crore.

Details of transactions with related parties during FY2026 are provided in the notes to the financial statements. Also, details of transactions with related parties during FY2026 as reported to the stock exchanges in the prescribed format can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-rpt-disclosure.

With effect from 19 December 2025, SEBI has revised the criteria for determination of material related party transactions. Accordingly, a transaction with a related party shall be considered material if the transaction, individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in schedule XII of the said regulations.

Accordingly, the Company proposes to seek approval of the shareholders at the upcoming Annual General Meeting for material related party transaction with Bajaj Housing Finance Ltd., as under:

(₹ in crore)

Particulars	Amount
Acquisition of loans or loan pools by way of assignment and servicing arrangements	12,550
Granting of any loans or advances, credit facilities, or any other form of fund-based facilities	2,500
Purchase of portfolio and corresponding fee sharing arrangements	3,039
Charges for inter-company services rendered between the Company and BHFL	42
Commission paid and received towards sourcing of products of the company and BHFL	21
Total	**18,152**

Further details are provided in the Notice of the 39th Annual General Meeting.

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

Annual Return

The Annual Return as provided under section 92(3) of the Act, in the prescribed form is hosted on the Company's website and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

Employee Stock Options ('ESOP')

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

BFL Employee Stock Option Scheme ('ESOP 2009') is in compliance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ('ESOP Regulations'). The scheme was modified pursuant to a special resolution passed in the Annual General Meeting held on 24 July 2025 to include secondary market acquisition of existing shares of the Company by the trust. No acquisition has been undertaken by the trust under the secondary market route. The same can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/esop-scheme-postal-ballot-final-15-may-2024-new-for-nrcpdf?scl=1&fmt=pdf

A certificate obtained from the Secretarial Auditors confirming that the scheme has been implemented in accordance with the aforesaid regulations and the shareholders' resolution shall be placed before the Members at the ensuing Annual General Meeting.

A statement giving details, as at 31 March 2026, under regulation 14 of the ESOP Regulations, is available on the website of the Company and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

Grant wise details of options vested, exercised, and cancelled are provided in the notes to the standalone financial statements.

The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2026.

Share Capital

During FY2026, pursuant to the approval of the Board of Directors and members of the Company, the following changes have taken place in the share capital of the Company:

a) Sub-division of Equity Shares of the Company and issue of Bonus shares:

During the year under review, the Members approved the following corporate actions through postal ballot on 7 June 2025:

- sub-division of one equity share of face value of ₹ 2 (Rupees Two Only) into 2 equity shares of face value of ₹ 1 (Rupee One Only); and
- issue of 4 (Four) bonus equity shares of face value of ₹ 1 (Rupee One Only) for every 1 (One) equity share fully paid-up of ₹ 1 (Rupee One Only) by capitalising such sums out of securities premium account.

b) Allotment to ESOP Trust:

The Company has issued and allotted 8,195,345 equity shares of the face value of ₹ 1 each at respective grant prices to the trustees of BFL Employee Welfare Trust under the Employee Stock Options Scheme, 2009.

As on 31 March 2026, the paid-up share capital of the Company stood at ₹ 622.24 crore consisting of 6,222,481,865 equity shares of face value of ₹ 1 fully paid-up.

Deposits

The Company accepts deposits from retail and corporate clients. As on 31 March 2026, it had a standalone deposit book of ₹ 68,485.55 crore, representing an annual degrowth of 4% in FY2026. Deposits contributed to 21% of Company's standalone borrowings versus 26% as at the end of FY2025.

The consolidated deposits book as on 31 March 2026 stood at ₹ 68,533 crore. Deposit contributed to 16% of its consolidated borrowings as on FY2026 versus 20% as at the end of FY2025.

Break-up of deposits raised on a standalone basis:

(₹ in crore)

Sr. No.	Type	Amount raised	Outstanding as on 31 March 2026
1.	Public deposit	7,330.93	39,379.73
2.	Corporate deposit	24,162.78	26,841.16
3.	Other deposit	846.05	2,264.66
	TOTAL	**32,339.76**	**68,485.55**

Pursuant to provisions of the RBI Act, 1934, the Company has created a charge on statutory liquid assets amounting to ₹ 6,499.17 crore in favour of Catalyst Trusteeship Ltd., the trustee, for Public Fixed Deposit ('FD') holders.

During FY2026, there was no default in repayment of deposits or payment of interest thereon. With a view to reduce unclaimed deposits, the Company *inter-alia* has taken the following measures:

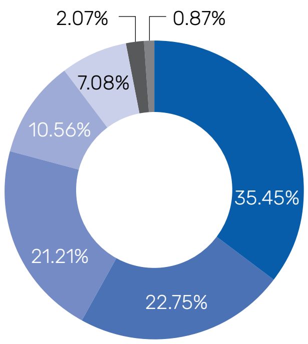
- Communication via SMS and/or email is sent to the depositor on T+1 (T=Rejection date), informing them of the payment rejection by the depositor's bank;
- The FD Customer Service team subsequently contacts the depositor on their registered mobile number to notify them of the rejection and request submission of updated bank account details to be linked with the fixed deposit;
- The depositor is required to share the updated bank details along with necessary supporting documents via email or through the branch for processing and updation;
- In cases where the depositor is not contactable, an 'Account Payee' cheque is prepared and dispatched to the depositor's registered address within T+10 days; and
- If the cheque remains unrealised within T+30 days, an additional attempt is made through a field visit by branch operations to establish contact with the depositor.

As on 31 March 2026, there were 19 FDs amounting to ₹ 30.81 lakh which had matured and remained unclaimed and interest on matured deposits amounting to ₹ 3.39 lakh and interest on active deposits amounting to ₹ 3.79 lakh had also remained unclaimed.

Borrowings

The total borrowing limit approved by the shareholders pursuant to the provisions of section 180(1)(c) of the Act stands at ₹ 375,000 crore.

The total borrowing as on 31 March 2026 was ₹ 322,818.39 crore. The break-up of the same is as under:



Category	Amount (₹ in crore)	% of total borrowing
Non-Convertible Debentures	114,434.88	35.45%
Bank Loans (TL/CC/OD/WCDL)	73,451.68	22.75%
Deposits	68,485.55	21.21%
Short-term Borrowings	34,079.88	10.56%
External Commercial Borrowing	22,866.97	7.08%
Securitisation (PTC)	6,694.12	2.07%
Subordinate Liabilities	2,805.31	0.87%

Credit Rating

During the year under review, Moody's Ratings vide their press release dated 4 August 2025, has assigned the Company a new rating 'Baa3 Corporate Family Rating (CFR)' with outlook as 'Stable'. Simultaneously, the Moody's Ratings has withdrawn its existing rating assigned to the Company, i.e., Baa3(Stable outlook)/P-3 long-term and short-term foreign and local currency issuer ratings, for Moody's own business reasons.

Further, S&P Global Ratings vide their report dated 14 August 2025, has upgraded the Company (issuer) credit rating from BBB-/Positive/A-3 to BBB/Stable/A-2. S&P Global Ratings has further informed that the Standalone Credit Profile (SACP) for the Company remains unchanged at 'bbb'.

S&P Global Ratings report mentioned that the rating upgrade is subsequent to the upward revision in the sovereign credit rating on India to 'BBB' from 'BBB-'.

Pursuant to SEBI master circular for credit rating agencies, dated 11 July 2025, the Members of the Audit Committee interacted with credit rating agencies, *inter alia*, to discuss issues on related party transactions, internal financial controls and other material disclosures made by the management, which have a bearing on rating of its listed non-convertible debentures (NCDs).

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

Internal Financial Controls

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

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

Internal Control Systems and their adequacy are discussed in more detail in Management Discussion and Analysis.

Internal Audit

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

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

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

As per RBI guidelines, quality assurance and improvement programme ('QAIP') is required to be carried out at least once a year covering all aspects of internal audit function. Accordingly, QAIP is carried out annually through an external agency to assess functioning of the internal audit function and adherence to the internal audit policy.

Statutory Audit

Price Waterhouse LLP, Chartered Accountants, (Firm Registration No. 301112E/E300264) ('PWC') and Kirtane & Pandit LLP, Chartered Accountants, (Firm Registration No. 105215W/W100057), the Joint Statutory Auditors of the Company have conducted audit of the financial statements of the Company for the FY2026.

The Audit Report given by the Joint Statutory Auditors for FY2026 is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

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

In terms of the RBI Master Directions – Non-Banking Financial Companies Auditors' Report (Reserve Bank) Directions, 2016, the Joint Statutory Auditors have also submitted an Additional Report dated 24 July 2025, for FY2025 which has been filed with RBI. There were no comments or adverse remarks in the said Report as well.

Secretarial Audit

Pursuant to regulation 24A(1) of the SEBI Listing Regulations, the Members at the 38th Annual General Meeting held on 24 July 2025, approved the appointment of M/s. Makarand M. Joshi & Co. ('MMJC'), a peer reviewed firm of Company Secretaries in Practice as Secretarial Auditor of the Company for a term of 5 (five) consecutive years from FY2026 till FY2030.

Pursuant to the provisions of section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and regulation 24A(1) of the SEBI Listing Regulations, the secretarial audit for FY2026 was conducted by MMJC. The Secretarial Audit report in the prescribed Form MR-3 is annexed to this Report. The report is unmodified i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

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

Pursuant to regulation 24A(2) of the SEBI Listing Regulations, a report on secretarial compliance for FY2026 has been issued by MMJC, Practicing Company Secretaries and the same will be submitted with the stock exchanges within the given timeframe. The report will also be made available on the website of the Company at https://www.aboutbajajfinserv.com/finance-investor-relations-secretarial-compliance-reports.

Whistle-Blower Policy/Vigil Mechanism

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

The concerns may be reported anonymously either through email or through a 'Confidential Feedback Mechanism', which is reviewed by a committee comprising of Senior Management representatives. Pursuant to the Whistle-Blower Policy, the summary of incidents investigated, actioned upon, founded and unfounded are reviewed by the Audit Committee on a quarterly basis. Further, the Committee from time to time reviews the functioning of the whistle-blower mechanism and measures taken by the Management to encourage employees to avail of the mechanism to report unethical practices. During FY2026, no person was denied access to the Audit Committee including the Chairman of the Audit Committee.

The Whistle-Blower Policy is uploaded on the website of the Company and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-v-1-6?scl=1&fmt=pdf

More details are given in the Report on Corporate Governance.

Compliance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act')

The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender discrimination and harassment. The Company believe that all employees have the right to be treated with fairness and dignity.

The Company has a policy on prevention of sexual harassment at the workplace. The policy is gender neutral. This policy has been framed in accordance with the provisions of POSH Act, and rules framed thereunder.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under POSH Act, 2013. The policy can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harassment-at-workplace-website-v1-6?scl=1&fmt=pdf

Details of the complaints received during the year are as under:

No. of complaints of sexual harassment received in the year	No. of complaints disposed off during the year	No. of cases pending for more than ninety days
8	6	0

Business Responsibility and Sustainability Report (‘BRSR’)

Pursuant to the SEBI circular dated 10 May 2021 read with SEBI Master Circular dated 30 January 2026, and amendment in SEBI Listing Regulations, top 1,000 listed entities based on market capitalisation are required to submit BRSR with effect from FY2023, as part of their Annual Report.

SEBI has further introduced BRSR Core, a focused sub-set of the BRSR, comprising Key Performance Indicators ('KPIs') across nine Environmental, Social, and Governance (ESG) attributes. As per the glide path outlined in the circular, the top 500 listed entities are mandated to obtain reasonable assurance on the BRSR Core disclosures. In compliance with the SEBI requirements, the Company has appointed SGS India Private Limited ('SGS') as an Assurance provider for carrying out the Reasonable Assurance for BRSR Core and Limited assurance for the remaining BRSR disclosures, in alignment with SEBI’s requirements, for FY2026.

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

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

Significant and Material Orders passed by the Regulators, Courts or Tribunals

There were no significant or material orders passed by the regulators, courts or tribunals having an impact on the going concern status and Company’s operations in future.

Conservation of Energy

The Company’s operations are not energy intensive. However, it remains committed to responsible resource utilisation and minimizing its environmental impact. Initiatives to reduce greenhouse gas emissions, energy consumption, and water usage have been introduced across select areas of operations. Details of these measures and their outcomes are provided in the Business Responsibility and Sustainability Report (BRSR) and ESG Report.

Technology Absorption

The details pertaining to technology absorption have been explained in the Management Discussion and Analysis.

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

Foreign Exchange Earnings and Outgo

During FY2026, the Company did not have any foreign exchange earnings and the foreign exchange outgo in terms of actual outflow amounted to ₹ 1,032.12 crore.

RBI Guidelines

The Company continues to fulfil all the norms and standards laid down by RBI pertaining to non-performing assets, capital adequacy, statutory liquidity assets, etc. As against the RBI norm of 15%, the capital to risk-weighted assets ratio of the Company was 21.55% as on 31 March 2026. In line with the RBI guidelines for asset liability management ('ALM') system for NBFCs, the Company has an asset liability committee, which meets monthly to review its ALM risks and opportunities. Further, the Company is well ahead of the regulatory requirement in terms of liquidity coverage ratio ('LCR') introduced by the RBI in FY2020. As against the LCR requirement of 100%, the Company’s LCR as on 31 March 2026 was 128.38%.

The Company continues to be in compliance with the RBI Directions.

Corporate Governance

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

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

A certificate from Secretarial Auditor of the Company regarding compliance of conditions of corporate governance is annexed to this Report and it does not have any observations.

Secretarial Standards of ICSI

The Company has followed the applicable Secretarial Standards with respect to Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Other Statutory Disclosures

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, is construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- The financial statements of the Company and its subsidiaries are placed on the Company's website at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.
- More details regarding the operations, state of affairs and initiatives of the Company are given in the Management Discussion and Analysis.
- Details required under the provisions of section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing, *inter alia*, the ratio of remuneration of director to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to members on request, as per provisions of section 136(1) of the Act.
- The Company being an NBFC, the provisions relating to chapter V of the Act, i.e., acceptance of deposit, are not applicable. Hence, information pursuant to rule 8 of the Companies (Accounts) Rule, 2014 is not applicable. However, disclosures as per RBI regulations with respect to deposits have been made in this Annual Report.
- The provisions of section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- Details pursuant to rule 13(4) Companies (Audit and Auditors) Rules, 2014 are provided under para 'Fraud Monitoring and Reporting' of this report.
- The Company remains committed to supporting working mothers and promoting a gender-inclusive workplace. The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961.
- There is no change in the nature of business of the Company during FY2026.
- The Company has not defaulted in repayment of loans from banks and financial institutions. There were no delays or defaults in payment of interest/principal of any of its debt securities.
- As on 31 March 2026, the Company had 68,742 permanent employees, comprising 64,444 male and 4,298 female employees.

- Disclosures under section 197(14) of Companies Act, 2013:

- **Rajeev Jain, Vice Chairman & Managing Director (DIN: 01550158)**

  Rajeev Jain is on the Board of BHFL, a subsidiary of the Company, as its Non-executive Vice Chairman. In his capacity as a Non-executive director, he draws sitting fees and commission from BHFL at par with other Non-executive directors in terms of its remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2026 is ₹ 92 lakh. Apart from the above, he does not draw any commission from any other subsidiary company.

  Effective 1 April 2025, he has been appointed on the Board of Bajaj Finserv Ltd. ('BFS'), the holding company, as a Non-executive, Non-independent director. He is entitled to sitting fees and commission on par with other Non-executive, Non-independent directors. The total remuneration (sitting fees and commission) drawn for FY2026 is ₹ 20 lakh.

- Neither any application has been made, nor any proceeding is pending against the Company under the Insolvency and Bankruptcy Code, 2016 ("Code"). However, the Company has been impleaded as a respondent in certain applications filed by corporate borrowers under the Code, wherein such borrowers have sought reliefs on account of their inability to repay loans availed from the Company. Further, these matters do not have any material adverse impact on the business, operations, or financial position of the Company.

- During FY2026, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

- The voting rights are exercised directly by the employees in respect of shares allotted under the Employee Stock Option Scheme of the Company. Thus, the disclosure requirements pursuant to rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, is not applicable.

- Disclosure pursuant to RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements and Report on Corporate Governance.

- The Company has in place various Board approved policies pursuant to Companies Act, 2013, SEBI Regulations, RBI Directions, and other regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations. The Report on Corporate governance contains web-link for policies hosted on website.

Directors' Responsibility Statement

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

i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures where applicable;

ii. they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for FY2026;

iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv. they have prepared the annual accounts on a going concern basis;

v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Acknowledgement

The Board of Directors places its gratitude and appreciation for the support and cooperation from its members, debenture holders, trustees for debenture holders, the Reserve Bank of India, the Insurance Regulatory and Development Authority of India, the Securities and Exchange Board of India, BSE Limited & National Stock Exchange of India Limited, the Registrar to an issue and Share Transfer Agent, the depositories, banks, financial institutions, and customers.

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

On behalf of the Board of Directors,

Sanjiv Bajaj
Chairman

DIN: 00014615
Pune: 29 April 2026

BAJAJ FINANCE

Dividend Distribution Policy

Preamble:

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

Objective:

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

Criteria to be considered before recommending dividend:

The Board will consider the following factors before recommending dividend:

Statutory and regulatory compliance:

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

Financial parameters:

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

Other internal and External Factors:

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

Dividend declaration

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

Amendments / Modifications:

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

Review of Policy:

The dividend policy would be reviewed annually.

Disclosure of Policy:

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

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended 31 March 2026

	Name of director/Key Managerial Personnel	Ratio of remuneration of director to median remuneration of employees	% increase in remuneration in FY2026
A.	**Whole-Time Director**		
	Rajeev Jain	220.21	11.00$
B.	**Non-Executive Directors**		
	Sanjiv Bajaj - Chairman	97.81	36.56
	Anami N Roy	19.96	17.50
	Dr. Naushad Forbes	9.06	(33.33)
	Pramit Jhaveri	19.96	10.16
	Radhika Haribhakti	14.58	35.53
	Dr. Arindam Bhattacharya	11.04	39.29
	Tarun Bajaj	16.14	Refer Note@
	Ajay Kumar Choudhary	14.30	Refer Note@
	Rajiv Bajaj	3.40	(14.29)
C.	**Key Managerial Personnel**		
	Sandeep Jain - Chief Financial Officer		6.50$
	R Vijay - Company Secretary		9.50$
D.	**% Increase in Median Remuneration of employees**		4.14
E.	**Number of permanent employees on the rolls of the Company as on 31 March 2026**		68,742

@Not comparable since Tarun Bajaj and Ajay Kumar Choudhary have been appointed as independent directors of the Company w.e.f. 1 August 2024 and 1 February 2025, respectively.

$Percentage increase calculated on fixed pay basis.

Notes:

- Anup Saha ceased to be managing director & director of the Company with effect from close of business hours on 21 July 2025. Hence, the details are not provided.
- Remuneration payable to non-executive directors is based on the number of meetings of the Board and/or Committees attended by them during the year. The commission payable to Non-executive Directors has been revised to ₹ 500,000 per meeting with effect from 1 May 2025, as compared to ₹ 400,000 per meeting earlier. As approved by NRC and Board, Sanjiv Bajaj, is being compensated by way of additional commission of ₹ 5.50 crore, for the time and commitment devoted by him during the year, at the request of the Management.
- Remuneration to non-executive directors does not include sitting fees paid to them for attending Board and/or Committee meetings.
- The variation reflected in column % change in remuneration in FY2026 is on account of number of Board/Committee meetings, attendance of directors thereat and change in Committee positions.

Notes on Disclosures under Rule 5

1. Average percentage increase in salary of employees other than Managing Director is 6.61%.
2. Percentage increase in remuneration of managerial personnel has been determined based on independent benchmarking, performance of the Company and trends of remuneration in the industry.
3. The remuneration paid as stated above was as per the Remuneration Policy of the Company.

Secretarial Audit Report (Form No. MR.3)

For the Financial year ended 31 March 2026

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Bajaj Finance Limited
Akurdi Pune-411035, Maharashtra, India

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bajaj Finance Limited** (hereinafter referred as 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Auditor's Responsibility:

Our responsibility is to express an opinion on the compliance of the applicable laws and maintenance of records based on audit. We have conducted the audit in accordance with the applicable Auditing Standards issued by The Institute of Company Secretaries of India. The Auditing Standards requires that the Auditor shall comply with statutory and regulatory requirements and plan and perform the audit to obtain reasonable assurance about compliance with applicable laws and maintenance of records.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering from April 01, 2025 to March 31, 2026 (hereinafter referred as the 'Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent and in the manner reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by the Company for financial year ended on March 31, 2026 according to the provisions of:

(i) The Companies Act, 2013 ('the Act') and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

  (i) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings and Foreign Direct Investment (Overseas Direct Investment is not applicable to the Company during the Audit Period);

  (ii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

    a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

    b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

    c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

    d. The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;

    e. The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client;

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; (Not Applicable to the Company during the Audit Period)

h. The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018. (Not Applicable to the Company during the Audit Period) and

i. The Securities and Exchange Board of India (Depositories and Participants) Regulation, 2018.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments made thereunder. ('Listing Regulations')

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines and Standards etc. made there under.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has generally complied with the following law applicable specifically to the Company:

A. Reserve Bank of India Master Direction/Guidelines, as applicable to Non-Banking Financial Companies, including the following:

   i. The Reserve Bank of India Act, 1934.

   ii. Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025.

   iii. Reserve Bank of India (Non-Banking Financial Companies – Governance) Directions, 2025.

   iv. Reserve Bank of India (Non-Banking Financial Companies – Acceptance of Public Deposits) Directions, 2025.

B. The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, and Independent Directors. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act and Listing Regulations.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance except for the meetings which were held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

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

We further report that during the audit period, the Company has:

1. Issued Bonus Equity shares in the ratio of 4:1 i.e., 4 (Four) bonus equity shares of ₹ 1 (Rupees One) each for every 1 (one) equity share of ₹ 1 (Rupee One) each fully paid up.
2. Sub-divided 1 (one) equity share of face value of ₹ 2 each fully paid-up into 2 (two) equity shares of face value of ₹ 1 each fully paid-up.
3. Issued non-convertible debentures through private placement under Section 42 and 71 of the Companies Act, 2013.
4. Modified the Employee Stock Option Scheme, 2009.
5. Approved the extension of benefits and grant of options to the employee(s) of holding and/ or subsidiary company(ies) under the Employee Stock Option Scheme, 2009.
6. Approved the authorisation of the Trust to acquire equity shares from the secondary market for the implementation of the Employee Stock Option Scheme, 2009.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000227471

Date: 29 April 2026
Place: Mumbai

'Annexure A'

To,
The Members,
Bajaj Finance Limited
Akurdi Pune-411035, Maharashtra, India

Our report of even date is to be read along with this letter.

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

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000227471

Date: 29 April 2026
Place: Mumbai

Corporate Governance Compliance Certificate

To,
The Members,
Bajaj Finance Limited
Akurdi Pune-411035,
Maharashtra, India

We have examined the compliance of conditions of Corporate Governance by **Bajaj Finance Limited** ("the Company") for the year ended on March 31, 2026, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ["Listing Regulations"].

In our opinion and to the best of our information and according to the explanations given to us, and representations made by the management, we certify that the Company, to the extent applicable, has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of sub-regulation (2) of Regulation 46 and Para C, D and E of Schedule V of Listing Regulations.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand M. Joshi
Partner
FCS: 5533
CP: 3662
UDIN: F005533H000227876

Date: 29 April 2026
Place: Mumbai

Certificate of Non-Disqualification of Directors

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members,
Bajaj Finance Limited,
Akurdi Pune-411035,
Maharashtra, India

We have examined the relevant disclosures provided by the Directors (as enlisted in Table A) to **Bajaj Finance Limited** having **CIN L65910MH1987PLC042961** and having registered office at Akurdi, Pune- 411035, Maharashtra, India (hereinafter referred to as '**the Company**') for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para C clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information, based on (i) Documents available on the website of the Ministry of Corporate Affairs (MCA) (ii) Verification of Directors Identification Number (DIN) status on the website of the MCA, and (iii) Disclosures provided by the Directors to the Company, we hereby certify that none of the Directors on the Board of the Company (as enlisted in Table A) have been debarred or disqualified from being appointed or continuing as Directors of the Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, Reserve Bank of India or any such other statutory authority as on March 31, 2026.

Table A

Sr. No.	Name of the Directors	DIN	Designation	Date of appointment in Company
1.	Sanjivnayan Rahulkumar Bajaj	00014615	Chairman	18-01-2005
2.	Rajeev Jain	01550158	Vice Chairman and Managing Director	01-04-2015
3.	Rajivnayan Rahulkumar Bajaj	00018262	Non- Executive Director	02-05-1994
4.	Naushad Darius Forbes	00630825	Independent Director	01-04-2019
5.	Anami Narayan Prema Roy	01361110	Independent Director	01-04-2019
6.	Pramit Shashikant Jhaveri	00186137	Independent Director	01-08-2021
7.	Radhika Vijay Haribhakti	02409519	Independent Director	01-05-2022
8.	Arindam Bhattacharya	01570746	Independent Director	01-04-2023
9.	Tarun Bajaj	02026219	Independent Director	01-08-2024
10.	Ajay Kumar Choudhary	09498080	Independent Director	01-02-2025

General Disclaimer: Our Analysis for this certificate does not cover the verification of criteria pertaining to appointment as independent director under Section 149 and criteria pertaining to appointment as Managing Director under Section 196 and Schedule V of the Companies Act, 2013.

For **Makarand M. Joshi & Co.**
Company Secretaries
ICSI UIN: P2009MH007000
Peer Review Cert. No.: 6832/2025

Makarand Joshi
Partner
FCS No: 5533
CP No. 3662
UDIN: F005533H000237732

Date: 29 April 2026
Place: Mumbai

Annual Report on CSR activities for the financial year ended 31 March 2026

1. Introduction

The vision and philosophy of late Jamnalal Bajaj, founder of the Bajaj Group, continue to guide its Corporate Social Responsibility (CSR) approach. Rooted in the principle of trusteeship and the common good, his values laid the foundation for ethical, transparent, and purpose-driven business practices.

At Bajaj Group, growth is not measured by financial performance alone, but by the positive difference created in people's lives. CSR is viewed not merely as a corporate responsibility, but as a commitment to nation-building—driving sustainable, inclusive, and long-term social impact.

Building on this legacy, the Group launched its most ambitious social impact commitment, Bajaj Beyond, with a pledge of ₹ 5,000 crore over five years to impact 2 crore lives. This collective effort by Bajaj Group companies is focused on fostering economic self-reliance and strengthening communities, aligned with India's vision of skilling.

Through its social investments, the Group primarily focuses on Youth skilling, enabling employment, income generation, and entrepreneurship. At the same time, efforts are expanding to support children through interventions in education, health, and protection, along with inclusion for Persons with Disabilities (PwDs).

Guiding Principles:

The Bajaj Group believes that social investments should:

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

2. Brief outline on Company's CSR Policy

In compliance with section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has in place a CSR Policy. The Policy was reviewed by the Board at its meeting held on 23 March 2026. The Policy, *inter alia*, covers the following:

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

3. Composition of CSR Committee:

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

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

Composition of CSR Committee	https://www.aboutbajajfinserv.com/finance-people-and-committees-corporate-social-responsibility-committee
CSR Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/corporate-social-responsibility-v8?scl=1&fmt=pdf
CSR projects approved by the Board	https://www.aboutbajajfinserv.com/finance-investor-relations-csr-projects
Terms of Reference	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/terms-of-reference-of-csr-committeepdf?scl=1&fmt=pdf

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

Impact assessment has been carried out for 22 projects. The executive summaries are annexed to this report. The full report is hosted on Company's website and can be accessed at https://www.aboutbajajfinserv.com/finance-csr-impact-assessment-reports

6.

a)	Average net profit of the Company as per sub-section (5) of section 135:	₹ 16,698.70 crore
b)	Two percent of average net profit of the Company as per sub-section (5) of section 135:	₹ 333.97 crore
c)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years:	Nil
d)	Amount required to be set-off for the financial year, if any:	Nil
e)	Total CSR obligation for the financial year [(b)+(c)-(d)]:	₹ 333.97 crore

7.

a)	Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project:	₹ 309.15 crore
b)	Amount spent on Administrative Overheads:	₹ 8.83 crore
c)	Amount spent on Impact Assessment, if applicable:	₹ 0.84 crore
d)	Total amount spent for the Financial Year [(a)+(b)+(c)]:	₹ 318.81 crore
e)	CSR amount spent or unspent for the Financial Year:	

Total Amount Spent for the financial year (₹ in crore)	Amount Unspent (₹ in crore)				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under schedule VII as per second proviso to sub- section (5) of Section 135		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
318.81	15.16	27 April 2026	-	-	-

f) Excess amount for set-off, if any

Sr. No.	Particulars	Amount (₹ in crore)
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	333.97
ii.	Total amount spent for the financial year	318.81
iii.	Excess amount spent for the financial year	-
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	-
v.	Amount available for set off in succeeding financial years [(iii)-(iv)]	-

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

(₹ in crore)

Sr. No.	Preceding Financial year(s)	Amount transferred to Unspent CSR Account under sub-section (6) of section 135	Balance Amount in Unspent CSR Account under sub-section (6) of section 135	Amount Spent in the Financial Year	Amount transferred to a Fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any			Amount remaining to be spent in succeeding Financial Years	Deficiency, if any
					Name of the Fund	Amount	Date of Transfer		
1.	FY2022-23	20.87	-	-	-	-	-	-	-
2.	FY2023-24	6.19	-	-	-	-	-	-	-
3.	FY2024-25	6.24	-	6.24	-	-	-	-	-

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

10. Specify the reason(s), if the Company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135:

The unspent amount primarily pertains to ongoing projects commenced during the year under review. The ongoing projects generally span over a period of 2 to 3 years and have milestone-based payments as per agreed outcomes. The earmarked amount for F.Y. 26 for these ongoing projects have been spent and the remaining are due in the upcoming years, hence the shortfall.

Sd/-
Rajeev Jain
Vice Chairman and Managing Director
DIN: 01550158

Sd/-
Dr. Naushad Forbes
Chairman of CSR Committee
DIN: 00630825

Annexure: Summary of Impact Assessment for Annual Report FY2026

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
1	Youth4jobs Foundation	Parivartan funding placement linked skilling for persons with disability	1 January 2019 to 30 June 2023	335	Thinkthrough Consulting Pvt Ltd.	The initiative successfully trained 1,411 youth with disabilities and achieved 985 job placements. The students benefitted through residential training, online learning and post-placement support at Mumbai and Jaipur centres. 57.0% of beneficiaries reported increased income post-training. Major placement sectors were e-commerce, retail, hospitality, and BPO/ITES, with average starting salaries between ₹ 10,500–₹ 15,500 per month.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/youth4jobs-foundation-parivartan?scl=1&fmt=pdf
2	PI Jam Foundation	Pi-Labs (model computer science labs)	1 September 2022 to 30 November 2023	125	Thinkthrough Consulting Pvt Ltd.	The project was rolled out across 25 Pune Municipal Corporation (PMC) schools in Maharashtra, directly benefiting 6,250 students in grades 5-8. By integrating Computer Science into the regular school curriculum, the initiative provided students with structured, hands-on exposure to computing, problem-solving, and computational thinking. All the students indicated an interest in further learning and aspired to pursue careers in technology and tech-related roles.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/pi-jam-foundation?scl=1&fmt=pdf
3	Youth4jobs Foundation	Y4J Grassroot Academy for People with Disabilities (Locomotor Disabled, Speech and Hearing Impaired, Low Vision and Slow Learners)	1 July 2022 to 30 September 2023	265	Thinkthrough Consulting Pvt Ltd.	The program trained 1,463 youth with disabilities through accessible, community-embedded interventions. Through Divyang Mitra and Grassroot Fellow model, the program trained youth across Karnataka, Maharashtra, Rajasthan and Telangana. 738 youth with disabilities were placed, achieving 55.0% placement linkage, with a significant proportion in self-employment and wage employment.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/youth4jobs-foundation-grassroot-academy?scl=1&fmt=pdf
4	MITTI Social Initiatives Foundation	Experiential Training to 180 Adults with physical and intellectual disabilities.	1 July 2022 to 30 September 2023	110	Thinkthrough Consulting Pvt Ltd.	The initiative trained 180 and placed 143 adults with physical and intellectual disabilities across Mitti Cafés located in high-footfall areas such as airports, hospitals, educational institutions, and corporate offices. 67% of trainees reported a significant increase in income after training and placement. 91% of trainees reported feeling prepared for employment beyond Mitti Cafés, showing long-term skill development. Partnering organisations demonstrated increased awareness and openness toward employing PwDs.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/mitti-social-initiatives-foundation?scl=1&fmt=pdf
5	PRATHAM Education Foundation	Hamara Gaon and Second Chance program	1 September 2022 to 30 November 2023	133	Thinkthrough Consulting Pvt Ltd.	The program through its different initiatives collectively reached to 3,108 children, dropout girls and women and impacted learners across 30 communities in Pune District. As a result of the Humara Gaon initiative which focused on improving learning outcomes, the proficiency in reading comprehension and arithmetic in Level 1 reached to 36% and 48% respectively. Through the second chance initiative, 96% pass rate was recorded and scores ranged 55 – 75%, Schools integrated Pratham's learning models beyond project scope.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/pratham-education-foundation?scl=1&fmt=pdf

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
6	Jankidevi Bajaj Gram Vikas Sanstha Partnership collaboration	Restoration of "Old Mechanical Engineering Drawing Hall" of the Bajaj School of Mechanical Engineering, COEP	1 August 2020 to 30 June 2023	1052	Renalysis Consultants Pvt Ltd (CSR BOX)	The project supported the expansion of a drawing hall at the Bajaj School of Mechanical Engineering. With a built-up area of approximately 3,534 sq. m, the restoration doubled the usable space to 38,000 sq. ft., integrating new laboratories, faculty rooms, classrooms, and a seminar hall, alongside dedicated facilities for student clubs and cultural activities.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/jankidevi-bajaj-gram-vikas-sanstha-partnership-collaboration?scl=1&fmt=pdf
7	Tata Memorial Centre	Bajaj cancer health initiative -adoption of cancer affected children along with staff support	1 April 2021 to 31 July 2023	176	Sambodhi Research and Communications Private Limited	The intervention provided medical, economic and psycho-social support to 15 Paediatric cancer staff members for delivering quality care to the children, suffering from cancer. The coordinated efforts of 15 dedicated staff members, including social workers, infection control nurses, and data managers, streamlined the diagnostic and treatment process. The multidisciplinary team approach and well-coordinated workflows enhanced efficiency, reducing treatment delays.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/tata-memorial-centre-cancer-affected?scl=1&fmt=pdf
8	Tata Memorial Centre	Bajaj cancer health initiative -adoption of cancer affected children along with staff support	1 April 2021 to 31 July 2023	200	Sambodhi Research and Communications Private Limited	The program supported the treatment of 76 Paediatric cancer patients. An impressive 95% have fully recovered, while the remaining 5% remain under follow-up care. A majority of families, 95%, received counselling and emotional support; 85% accessed infection control guidance; 95% benefited from nutrition and medication support. The program also facilitated the social reintegration of children, with 100% of beneficiaries returning to regular school attendance.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/tata-memorial-centre?scl=1&fmt=pdf
9	Haritika	Udaan Project: An Initiative for Sustainable Livelihood Based Tribal Holistic Development	1 July 2022 to 30 September 2023	150	Dev Insights Private Limited	The initiative improved incomes, strengthened food security, and empowered tribal communities across 10 villages in Damoh and Chhatarpur districts of Madhya Pradesh. By integrating watershed management, climate-resilient farming, women-led enterprises, and household nutrition interventions, 60–70% of households achieved a shift from mono-cropping to two to three annual cropping cycles, leading to household incomes increasing from ₹ 25,000–₹ 30,000 to ₹ 60,000–₹ 75,000 and improved diet diversity.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/haritika-foundation?scl=1&fmt=pdf
10	Magic Bus India Foundation	Connect with Work Program	1 August 2022 to 31 October 2023	300	Sambodhi Research and Communications Private Limited	The program supported the training and placement of 10,000 youth across 133 colleges in Pune. The beneficiaries were placed in 398 companies spanning IT-ITES, Banking & Financial Services, manufacturing, retail, hospitality, etc. Approximately 40% of trainees transitioned into paid jobs, many of whom were first-time earners, as evidenced by the 43% of placed participants reporting no prior income. However, Income gains remained within lower-middle-income thresholds and were not transformative.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/magic-bus-india-foundation?scl=1&fmt=pdf

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
11	Autism Research and Training Centre	Establishing ARC - Autism Research and Training Centre - a Residential and Training facility for Persons with Intellectual Disability.	1 February 2023 to 31 October 2023	299	Renalysis Consultants Pvt Ltd (CSR BOX)	The intervention supported the expansion of centre's residential and educational facilities for 50 children with areas for sensory integration, learning, and recreation. The inclusive infrastructural features reduce child's anxiety, fosters independence, and builds parental confidence in the centre's ability to meet diverse needs.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/autism-research-and-training-centre?scl=1&fmt=pdf
12	Deepstambh Foundation (Infra)	Construction support to 'Manobal- National Accessible Model' for all types of persons with disabilities, orphan, and underprivileged youth	1 February 2023 to 31 July 2023	388	Thinkthrough Consulting Pvt Ltd.	The project supported the Construction of India's first fully accessible 3-acre free residential competitive examination guidance centre for students with disabilities in Jalgaon. The new facility features gender-segregated accessible hostels, barrier-free academic infrastructure like 112 wheelchair-accessible ramps, wide passing zones and doorways for wheel chair users, comprehensive safety systems, and sustainable design elements, enabling independent living and dignified learning for 320 marginalized students preparing for competitive examinations.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/deepstambh-foundation-infra?scl=1&fmt=pdf
13	Latika Roy Memorial Foundation	Support for resource Center	1 December 2019 to 30 May 2023	224	Renalysis Consultants Pvt Ltd (CSR BOX)	The program reached out to more than 250 families through the Foundation's Resource Centre which acts as a hub for knowledge, training, and advocacy, creating an enabling environment for children with disabilities and their families. The support provided by the centre resulted in improvements of caregiver capabilities in handling children with disabilities as well in improving the motor skills of children, responsiveness, feeding practices and other physical and emotional needs of the children.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/latika-roy-memorial-foundation?scl=1&fmt=pdf
14	The Society for Door Step School	School and Community Intervention Program	1 July 2022 to 24 September 2023	190	Sambodhi Research and Communications Private Limited	The program reached 8,279 children in 20 schools and 4,513 children across 27 communities in Pune, to strengthen foundational literacy and numeracy (FLN). As an impact of the program, 71% could read comprehensions, compared to state averages of 59.6% in Class 5. Similarly, 27% achieved competency in division, and 38% in subtraction, outperforming state benchmarks in higher-order operations. Attendance strongly correlated with outcomes. The intervention flattening learning disparities and accelerating progress for those most at risk of exclusion.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/the-society-for-door-step-school?scl=1&fmt=pdf
15	SWADHAR Institute for Development of Women Children (IWDC) Pune	Aksharsparsh school library	25 June 2022 to 25 September 2023	100	Sambodhi Research and Communications Private Limited	The project strengthened foundational literacy and numeracy (FLN) among children 18,096 students from Classes 1–4 from 99 schools in Pune district. As a result of the intervention, over half of students reached story-level reading; numeracy gains were striking, with one-third of children solving division problems by endline. Class 5 students in project schools outperformed state peers in ASER benchmarks for both reading and numeracy, while Class 4 showed slower progress in advanced operations.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/swadhar?scl=1&fmt=pdf

Sr. No.	Implementing Agency (NGO)	Project Name	Duration of the project	Project Amount (₹ Lakh)	Impact Assessment Agency	Impact	Web-links where complete report is available
16	Sambhav Foundation	Creating an inclusive ecosystem for women and youth through livelihood enablement	1 July 2022 to 30 September 2023	140	Sambodhi Research and Communications Private Limited	The program benefited 1,000 underprivileged youth through training and certification of which 702 beneficiaries transitioned into employment. Roles spanned data entry, billing, retail sales, customer support, mobilisers, junior scientist and beauty-parlor assistant positions, illustrating wide applicability of acquired skills. As a result of the program, 45% reported improved income; the share of households earning below ₹ 20,000 declined from 41% to 18% after placement and families reporting monthly income above ₹ 30,000 increased to 45%. Beneficiaries described enhanced self-confidence, independence and decision-making ability. Post-placement support existed for 2-3 months.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/sambhav-foundation?scl=1&fmt=pdf
17	Kailash Satyarthi Childrens Foundation	Prevention and protection of children from sexual abuse and trafficking	1 July 2022 to 30 September 2023	500	Renalysis Consultants Pvt Ltd (CSR BOX)	The initiative focused on providing legal aid, counselling, capacity building, and policy advocacy to strengthen systems of child protection. The project, 487 CSA cases received legal support, resulting in 58 convictions, and 3,400+ stakeholders were trained across states. Through its survivor-centric and systemic approach, the project contributed significantly to improving access to justice, mental health support, and institutional accountability in addressing CSA.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/kailash-satyarthi-childrens-foundation?scl=1&fmt=pdf
18	SATHI (Society for Assistance to Children in Difficult Situation)	Project A- "Foster Care" – A support system for COVID-19-affected children belonging to financially marginalized families in Pune Project B - Rescue and resettlement of runaway and missing children found on the railway platform of New Delhi Project C - Rescue and resettlement of runaway and missing children found on the railway platform of Yeshwanthpur, Bangalore	1 July 2022 to 30 November 2023	160	Renalysis Consultants Pvt Ltd (CSR BOX)	Through the program, a comprehensive support was provided to 308 children and their families and rescued more than 2,000 children from the New Delhi and Bangalore railway stations. As an impact of the project, long-term positive changes created in the lives of children and families. 97% avoided school dropouts, ensuring continuity in education due to financial support provided under foster care. 98% of rescued children felt safe at SATHI shelters, and 83% reported strong emotional support. 100% of the beneficiaries completed skill development courses provided under foster care, Pune, improving employability.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/sathi?scl=1&fmt=pdf
19	Jan Swasthya Sahyog	Phulwari: To strengthen and innovate (Rural creche) the public health intervention to prevent malnutrition among 6 months to 3 years children.	1 July 2022 to 30 September 2023	120	Dev Insights Private Limited	The program supported 1,200 Infants and toddlers (6 months – 3 years) from economically and socially disadvantaged tribal families through rural creches in MP. With 81% reporting weight gain and 71% noting more diverse diets, children achieved healthier growth trajectories and improved immunity at the creches, while 57% of mothers reported being able to work and 62% reporting reduced stress due to these centres.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/jan-swasthya-sahyog?scl=1&fmt=pdf

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20	Smile Train	Gifting Smiles	1 July 2022 to 30 September 2023	100	Sambodhi Research and Communications Private Limited	The program facilitated 4,000 cleft lip and palate surgeries across 15 Smile Train partner hospitals in Maharashtra, Rajasthan, and Uttar Pradesh. Post-surgery, 76.47% showed improved feeding ability, and 80.39% experienced better speech clarity. 44% of families reported no out-of-pocket expenses, while a combined 52% spent less than ₹ 5,000 on related costs such as travel, food, and medications. 94% reported a very positive change in their perception of their child's future, suggesting that the intervention not only improved health outcomes but also instilled confidence for social interaction and better School Performance for children and lasting hope, and resilience within households.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/smile-train?scl=1&fmt=pdf
21	Rajasthan Mahila Kalyan Mandal	FINE - Fostering Inclusive Education in middle school	1 July 2022 to 30 September 2023	200	Renalysis Consultants Pvt Ltd (CSR BOX)	The program facilitated the enrolment of 314 children with special needs (CwSNs) into schools and day-care centers. The interventions in inclusive education, vocational training, therapeutic interventions and Parent & Community Engagement sessions helped children in becoming independent, with 65% of children able to walk independently, 74% children giving Sustained attention to tasks and 59% of children showed improvement in social interactions	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/rajasthan-mahila-kalyan-mandal-fine?scl=1&fmt=pdf
22	The Akanksha Foundation	Learning Vision at Akanksha	1 September 2022 to 30 November 2023	150	Sambodhi Research and Communications Private Limited	Spanning 20 municipal and affordable private schools, the program directly reached 11,910 students across Pune, Mumbai, and Nagpur, embedding joyful, inclusive, and student-centered learning environments. Significant improvements in English Writing and Grammar scores across Grades 1–6 (e.g., Grade 3 Writing: 19% → 43%) were observed. Mathematics performance showed mixed results: gains in Grades 2–4 and 6, but declines in Grade 1 and Grade 5, highlighting the need for targeted numeracy support. Beyond academics, students developed digital literacy, collaboration, and communication skills while teachers noted children experimenting fearlessly on apps, failing and retrying, which built resilience.	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/akanksha-foundation?scl=1&fmt=pdf