Report on Corporate Governance

Contents

Corporate Governance framework & philosophy

This report details the corporate governance policies and practices of Bajaj Finance Ltd. (the 'Company', 'Bajaj Finance' or 'BFL') for FY2026 and outlines compliance with requirements of the Companies Act, 2013, as amended, (the 'Act'), the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'), and the Directions of the Reserve Bank of India ('RBI') for Non-Banking Financial Companies (the 'RBI Directions'), as applicable to the Company.

Philosophy

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

As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated applicable laws.

Key elements of Bajaj Finance's Corporate Governance

- Compliance with applicable law.
- Promoting fairness, transparency, accountability, commitment to values, ethical business conduct and considering all stakeholders' interest while conducting business.
- Proactive adherence to the regulations and periodical engagement with regulators.
- Benchmarking and adopting best practices among banks, peers and other leading organisations.
- Number of Board and Committee meetings, more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans, and risks.
- Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- Rotation of key committee's chair and changes to its composition once in every few years, to provide broader exposure and have a balanced responsibilities amongst board members.
- Independent Assurance on arm's length of Related Party Transaction(s).
- Audit Committee comprising only of Independent Board Members with Independent Directors chairing Statutory Committees of the Board.
- Pre-briefing sessions with the Committee's Chair with statutory auditors, internal auditors, chief risk officer, chief human resources officer, and members of executive management who are the process owners.
- Independent discussions by the Committee with chief internal auditor, chief risk officer, and chief compliance officer without presence of Managing Director other members of senior management on a quarterly basis.
- Separate meeting of independent directors without presence of non-independent directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every director, Committees of the Board, the Chairman of the Board, and the Board as a whole.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Representation of the Company via non-executive and independent directors on the Board of its material subsidiary which ensures an institutionalised structure of control over subsidiary.
- Half-yearly communication from the Chairman to all shareholders/debentures holders of the Company giving an update on the Company's performance.

- Periodical updates to the Board and various committees on the Company's preparedness on evolving regulatory landscape, emerging risks and technological changes.
- Terms of reference of various Committees in line with best practices and governance guidelines.
- Adoption of key governance policies in line with the best practices, which are made available to stakeholders for downloading from the Company's website. These *inter alia* include:
  - Whistle Blower Policy/Vigil Mechanism;
  - Policy on Materiality of and Dealing with Related Party Transactions;
  - Dividend Distribution Policy;
  - Policy on Prevention of Sexual Harassment at Workplace;
  - Fair Practices Code in English and all vernacular languages;
  - Employee Charter on Human rights;
  - Equal Employment Opportunity and Non-Discrimination Policy;
  - Policy for Compensation of Key Managerial Personnel ('KMP') and Senior Management;
  - Data Privacy Policy;
  - Responsible and Sustainable Business Conduct Policy;
  - Code of ethics and personal conduct;
  - Tax governance policy;
- Various policies adopted by the Company can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes

Board of Directors

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

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

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

The Company follows structured post-meeting review processes to ensure effective execution of the decisions taken by the Board and its Committees. The key decisions, directions and recommendations arising from the meetings are promptly communicated to the concerned departments for execution. The status of implementation is captured through Action Taken Reports, which are reviewed by the Board and the Committees at its subsequent meetings.

Composition of the Board

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

As on 31 March 2026, the Board of the Company comprised ten directors, of whom one was an executive, seven were Non-executive independent (including one-woman independent director) and two were Non-executive Non-independent. The Board does not have any institutional nominee director.

The composition of the Board is much above the statutory mandate under the SEBI Listing Regulations.

Changes in the composition of Board during FY2025 and FY2026:

Table 1: Details of change in composition of the Board during the year under review and previous year i.e., for the period from 1 April 2024 to 31 March 2026 is given below:

Sr. No.	Financial Year	Name of Director	Category	Nature of change	Effective date
1.	FY2024-25	Tarun Bajaj	Independent director	Appointment	1 August 2024
2.	FY2024-25	Ajay Kumar Choudhary	Independent director	Appointment	1 February 2025
3.	FY2025-26	Anup Saha	Managing director	Cessation*	21 July 2025 (close of business hours)

*ceased to be managing director & director, due to personal reasons.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee ('NRC'), re-designated Rajeev Jain as Executive Vice Chairman with effect from 1 April 2025 upto 31 March 2028. Consequent to the resignation of Anup Saha, Managing Director, Rajeev Jain was re-designated as Vice Chairman & Managing Director, effect from 22 July 2025, for the remainder of his term i.e., upto 31 March 2028.

Number of meetings of the Board

The calendar for the Board and Committee meetings are fixed in advance for the entire year and informed to directors well in advance to facilitate their participation at all the meeting(s). In addition to the quarterly Board meetings, dedicated meetings are convened in the month of september and march every year to facilitate the Board to devote additional time on annual operating planning and strategic matters. The Board and Committee meetings are generally conducted over two full days to facilitate detailed deliberations and informed oversight by the Directors.

During FY2026, the Board met 8 (eight) times, The gap between two consecutive meetings has been less than 120 days.

Table 2: The details of board meetings and attendance record of directors for FY2026 are given hereunder: -

Name of Director, DIN and category	Dates of Board meetings held during FY2026								Attendance at the last AGM held in July 2025
	29 April 2025	21 July 2025	24 July 2025	12 September 2025	15 October 2025	10 November 2025	3 February 2026	23 March 2026	
CHAIRMAN, NON-EXECUTIVE DIRECTOR									
Sanjiv Bajaj (DIN:00014615)	√	√	√	√	√	√	√	√	√
INDEPENDENT DIRECTORS									
Anami N Roy (DIN: 01361110)	√	√	√	√	√	√	√	√	√
Dr. Naushad Forbes (DIN: 00630825)	x	x	√	√	√	√	√	√	√
Pramit Jhaveri (DIN: 00186137)	√	√	√	√	√	√	√	√	√
Radhika Haribhakti (DIN:02409519)	√	√	√	√	√	√	√	√	√
Dr. Arindam Bhattacharya (DIN: 01570746)	√	x	√	√	√	√	√	√	√
Tarun Bajaj (DIN: 02026219)	x	√	√	√	√	√	√	√	√
Ajay Kumar Choudhary (DIN: 09498080)	√	√	√	√	√	√	√	x	√
VICE CHAIRMAN & MANAGING DIRECTOR									
Rajeev Jain (DIN: 01550158)	√	√	√	√	√	√	√	√	√
NON-EXECUTIVE DIRECTOR									
Rajiv Bajaj (DIN: 00018262)	√	√	√	x	x	√	x	√	√
MANAGING DIRECTOR (From 1 April 2025 till 21 July 2025)									
Anup Saha (DIN: 07640220)	√	√	NA	NA	NA	NA	NA	NA	NA

√ Attended | x Absent | NA Not Applicable

Note:

Sanjiv Bajaj and Rajiv Bajaj are related as brothers. None of the other directors are related inter se.

Table 3: The summary of composition of Board, attendance record, total compensation for the FY2026, and shareholding in the Company is provided below:

Sr. No.	Name of Director, DIN and category	Director since	% of Board meetings attended during last 3 years*	Remuneration (₹ in crore)			No. of shares held in the Company as on 31 March 2026#
				Salary	Sitting Fees	Commission**	
CHAIRMAN, NON-EXECUTIVE DIRECTOR							
1.	Sanjiv Bajaj (DIN:00014615) Promoter Group	18 January 2005	100	-	0.29	6.91	5,307,920
INDEPENDENT DIRECTORS							
2.	Anami N Roy (DIN: 01361110)	1 April 2019	100	-	0.44	1.41	-
3.	Dr. Naushad Forbes (DIN: 00630825)	1 April 2019	88	-	0.13	0.64	-
4.	Pramit Jhaveri (DIN: 00186137)	1 August 2021	100	-	0.29	1.41	-
5.	Radhika Haribhakti (DIN:02409519)	1 May 2022	100	-	0.36	1.03	-
6.	Dr. Arindam Bhattacharya (DIN: 01570746)	1 April 2023	88	-	0.16	0.78	5,000
7.	Tarun Bajaj (DIN: 02026219)	1 August 2024	92	-	0.23	1.14	-
8.	Ajay Kumar Choudhary (DIN: 09498080)	1 February 2025	89	-	0.21	1.01	-
VICE CHAIRMAN & MANAGING DIRECTOR							
9.	Rajeev Jain@ (DIN: 01550158)	1 April 2015	100	Refer note$	-	-	1,699,500
NON-EXECUTIVE DIRECTOR							
10.	Rajiv Bajaj (DIN: 00018262) Promoter Group	2 May 1994	79	-	0.05	0.24	10,000
MANAGING DIRECTOR (From 1 April 2025 till 21 July 2025)							
11.	Anup Saha (DIN: 07640220)	1 April 2023	Not Applicable	Refer note$	-	-	Not Applicable

Notes:

1. *% of meetings attended is calculated based on the number of Board meetings attended post the appointment.
2. **The Commission will be paid post adoption of financial statements for FY2026.
3. #The above shareholding includes shares held in joint names with other shareholders.
4. @Appointed as Executive Vice Chairman effective 1 April 2025 upto 31 March 2028. Consequent to resignation of Anup Saha, he was re-designated as Vice Chairman & Managing Director effective from 22 July 2025 upto remainder of his term.
5. $Details of remuneration paid to him is covered under Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

Rajeev Jain, Vice Chairman & Managing Director is entitled to Employee Stock Options as per Employee Stock Option Scheme, 2009. Apart from the above, no other Director hold any shares and convertible instruments.

Board diversity

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

Core skills/expertise/competencies

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

		Core Skills/Expertise/Competencies								
Sr. No.	Name of Directors	Management and Governance	Financial Services	Consumer Behaviour, Sales, marketing and Customer experience	Technology and Innovation	Understanding of accounting and financial statements	Risk, Assurance and Internal Controls	Regulatory, Public policy and economics	Human Resource	Business Transformation and Strategy
1.	Sanjiv Bajaj	√	√	√	√	√	√	√	√	√
2.	Anami N Roy	√	√	-	-	√	√	√	√	-
3.	Dr. Naushad Forbes	√	-	√	√	√	√	√	√	√
4.	Pramit Jhaveri	√	√	√	√	√	√	√	√	√
5.	Radhika Haribhakti	√	√	-	-	√	√	-	√	√
6.	Dr. Arindam Bhattacharya	√	-	-	√	√	√	√	√	√
7.	Tarun Bajaj	√	√	√	-	√	√	√	√	√
8.	Ajay Kumar Choudhary	√	√	-	√	√	√	√	√	√
9.	Rajeev Jain	√	√	√	√	√	√	√	√	√
10.	Rajiv Bajaj	√	√	√	√	√	√	-	√	√

Opinion of the Board

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

Information placed before the Board and its Committees

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

In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the Act and SEBI Listing Regulations. The independent directors of the Company met on 23 March 2026 and assessed especially from the perspective of whether these aided the Board and its Committees to effectively and reasonably perform their duties. The independent directors expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on various strategic, business, risks, compliance and regulatory matters. During FY2026 it, *inter alia*, covered the following:

- Annual Operating Plans and Long-Range Strategy Initiatives;
- Business continuity and disaster recovery preparedness;
- Company's preparedness with the data privacy laws, and impact of the new labour code;
- Internal financial controls and adequacy thereof;
- Succession planning and organisation structure;
- Fraud risk management framework and effectiveness of preventive controls;
- Supervisory concerns raised by regulators;
- Performance of subsidiaries and associate companies;

- Status of compliance with Act, SEBI regulations, RBI directions and shareholders related matters;
- Review of various policies framed by Company from time to time;
- Risk management system and emerging risk;
- Innovation and adoption of newer technologies in business;
- Awareness on cyber security and its framework and information security, including incident reporting and resilience measures;
- Functioning of customer grievance redressal mechanism and Compliance with fair practices code; and
- ESG initiatives and sustainability practices;

Directorships and memberships of Board Committees

Table 4: Number of directorship/committee positions of directors as on 31 March 2026 (including the Company)

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

Note:

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

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

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

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

None of the directors were a member in more than 10 committees, nor a chairperson in more than 5 committees across all public companies in which he/she was a director.

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

Directorship in listed entities

Table 5: Name of listed entities where directors of the Company held directorships as on 31 March 2026 (including the Company)

Sr. No.	Name of director	Name of listed entity	Category
1.	Sanjiv Bajaj	Bajaj Auto Ltd.	Non-executive, Non-independent
		Bajaj Finserv Ltd.	Chairman & Managing Director, Executive
		Bajaj Holdings & Investment Ltd.	Managing Director & CEO, Executive
		Bajaj Finance Ltd.	Chairman, Non-executive, Non-independent
		Bajaj Housing Finance Ltd.	
		Maharashtra Scooters Ltd.	
2.	Anami N Roy	Bajaj Auto Ltd.	Non-executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Housing Finance Ltd.	
		Siemens Ltd.	
		Elevate Campuses Ltd.*	
3.	Dr. Naushad Forbes	Bajaj Auto Ltd.	Non-executive, Independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	
		Zodiac Clothing Company Ltd.	
		Pidilite Industries Ltd.	
4.	Pramit Jhaveri	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Finserv Ltd.	
		Larsen & Toubro Ltd.	
5.	Radhika Haribhakti	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Finserv Ltd.	
		Torrent Power Ltd.	
		NOCIL Ltd.	
		Torrent Gas Ltd.*	
6.	Dr. Arindam Bhattacharya	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Holdings & Investment Ltd.	
		Bajaj Housing Finance Ltd.	
		Gaja Alternative Asset Management Ltd.*	
7.	Tarun Bajaj	Bajaj Finance Ltd.	Non-executive, Independent
		Hindustan Unilever Ltd.	
		The Tata Power Company Ltd.	
		Tech Mahindra Ltd.	
		Phonepe Ltd.*	
8.	Ajay Kumar Choudhary	Bajaj Finance Ltd.	Non-executive, Independent
		Bajaj Housing Finance Ltd.	
		Aurionpro Solutions Ltd.	
		Truhome Finance Ltd.*	
9.	Rajeev Jain	Bajaj Finance Ltd.	Vice Chairman & Managing Director, Executive
		Bajaj Housing Finance Ltd.	Vice Chairman, Non-executive, Non-independent
		Bajaj Finserv Ltd.	Non-executive, Non-independent

Sr. No.	Name of director	Name of listed entity	Category
10.	Rajiv Bajaj	Bajaj Auto Ltd.	Managing Director & CEO, Executive
		Bajaj Finance Ltd.	Non-executive, Non-independent
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	Vice Chairman, Non-executive, Non-independent

*Have filed the Draft Red Herring Prospectus with SEBI. Hence, considered.

Resignation of independent director during FY2026

No Independent Director resigned during the FY2026.

Maximum tenure of independent directors

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

Formal letter of appointment to independent directors

The Company has issued a formal letter of appointment/re-appointment to independent directors in the manner provided in the Act. As per regulation 46(2)(b) of the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of independent directors are placed on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/appointment-letter%E2%80%93independent-director?scl=1&fmt=pdf

Familiarisation programme

On an ongoing basis, the Board including independent directors are kept abreast with matters relating to the industry in which the Company operates, its business model, Cyber Security, Geopolitical Risks, Technology and Innovation, Long Range Strategy, changes in Regulatory environment and preparedness of the Company, etc.

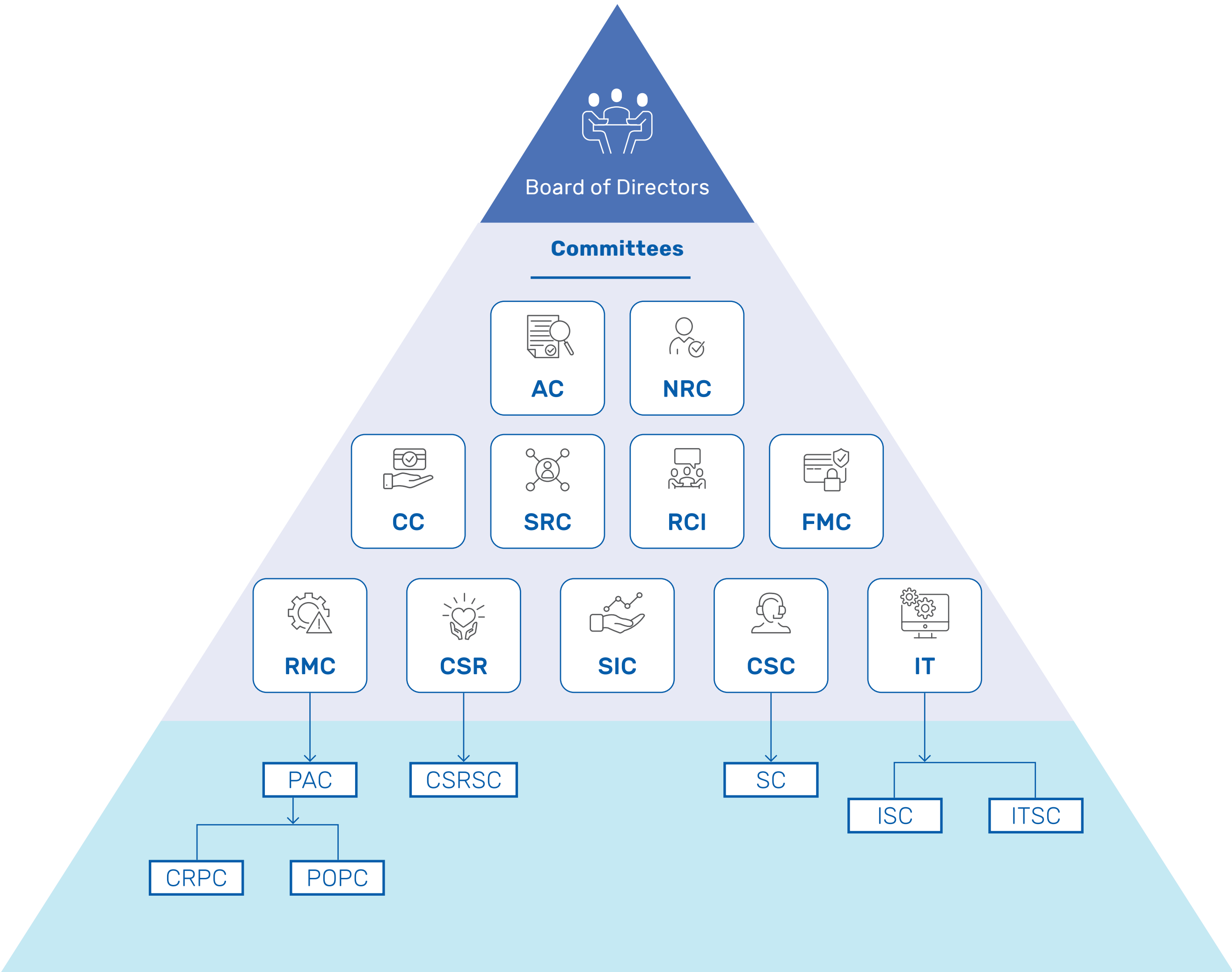
The Board is also regularly apprised on the major developments in the Company between two meetings.

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

The familiarisation details for FY2026 can be accessed https://cms-assets.bajajfinserv.in/is/content/bajajfinance/familiarisation-programme.

Committees of the Board and oversight mechanism

Board and Committees



Committees

AC: Audit Committee

NRC: Nomination and Remuneration Committee

CC: Credit Committee

SRC: Stakeholders Relationship Committee

RCI: Review Committee for Identification of wilful defaulter

FMC: Special Committee for Monitoring and Follow-up of cases of frauds

RMC: Risk Management Committee

CSR: Corporate Social Responsibility Committee

SIC: Strategic Investment Committee

CSC: Customer Service Committee

IT: Information Technology (IT) Strategy Committee

Sub-Committees

PAC: Product Approval Committee

CSRSC: CSR Steering Committee

SC: Standing Committee for Customer Service

ISC: Information Security Committee

ITSC: IT Steering Committee

CRPC: Credit Risk Policy Committee

POPC: Product Operations Process Committee

BAJAJ FINANCE

Audit Committee

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

The terms of reference (hereinafter in this report referred as "ToR") of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Directions. The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act, SEBI Listing Regulations and RBI Directions. The ToR of the Committee was reviewed during the year. The Matters pertaining to Artificial Intelligence and data privacy governance were added to the ToR. The ToR can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-audit-committee.pdfe.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Oversight of financial reporting process:	
Review of financial results/statements & Auditor's Report	Quarterly
Reviewing with the management Changes, if any, in accounting policies and practices	Annually
Discussion with the Auditors on items of significant judgement, Audit Plan, matter of emphasis, if any	Quarterly / Annually
Oversight of Related Party & its transaction:	
Approval or any subsequent modification of transactions with related parties	Annually / Event based
Review of related party transaction	Quarterly
Compliance and Regulatory Oversight Responsibilities	
Approval of Audit Plan/Compliance Plan	Annually
Review all issues / concerns raised in the Supervisory / Inspection reports of Regulators, and follow up action on the issues raised	Event based
Review the functioning of the Whistle Blower mechanism	Quarterly / Annually
Review compliance with the provisions of Insider Trading Regulations	Quarterly
Independent discussion with Internal Auditor and Compliance Officer	Quarterly
Oversight of Internal Audit and Internal Controls	
Evaluation of internal financial controls	Annually
Discussion with internal auditors of any significant findings and follow up there on	Quarterly
Others	
Review of important guidelines, circulars, notifications etc. issued by RBI, SEBI, MCA and other regulatory bodies and the Company's preparedness	Event based
Recommendation of Appointment & remuneration of Auditors and CFO	Annually / Event based

Meetings and attendance

During FY2026, the Audit Committee met six times viz., on 29 April 2025, 24 July 2025, 12 September 2025, 10 November 2025, 3 February 2026 and 23 March 2026. The meetings were scheduled well in advance and not more than 120 days elapsed between any two consecutive meetings.

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

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

Anami N Roy, Chairman of the Committee, was present at the Annual General Meeting of the Company on 24 July 2025, to answer shareholders' queries.

Table 6: Composition of the Audit Committee and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Anami N Roy	10 July 2021	Chairman, Non-executive, Independent	6/6
Pramit Jhaveri	1 August 2021	Non-executive, Independent	6/6
Dr. Arindam Bhattacharya	1 April 2023	Non-executive, Independent	6/6
Tarun Bajaj	21 March 2025	Non-executive, Independent	5/6

The Board had accepted all recommendations of the Committee.

Nomination and Remuneration Committee

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

The ToR of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Directions. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-nrc.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Formulation and recommendation of criteria for determining qualifications, positive attributes and independence of Directors and ensuring with 'Fit & Proper' status of the proposed / existing directors	Annually
Performance evaluation of the Board, its Committees and individual Directors, including Independent Directors	
Review and recommendation on continuation or extension of tenure of Independent Directors based on performance evaluation	
Assist the Board in relation to succession plan for the directors and Senior Management	
Recommendation of remuneration payable to Directors and Senior Management	Annually/ Event based
To recommend appointment of directors	Event based

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

Meetings and attendance

During FY2026, the Committee met five times viz., on 28 April 2025, 9 July 2025, 21 July 2025, 6 November 2025, and 17 March 2026.

Radhika Haribhakti, Chairperson of the Committee, was present at the AGM of the Company held on 24 July 2025, to answer shareholders' queries.

Table 7: Composition of the NRC and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Radhika Haribhakti	1 May 2022	Chairperson, Non-executive, Independent	5/5
Sanjiv Bajaj	14 October 2009	Non-executive, Non-independent	5/5
Anami N Roy	17 March 2020	Non-executive, Independent	5/5

The Board had accepted all recommendations of the Committee.

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

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

Risk Management Committee

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

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

The ToR of the Committee was reviewed during the year. The Matters pertaining to Artificial Intelligence and data privacy governance were added to the ToR. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-people-and-committee/people-and-committee,-board-of-committee/terms-of-reference-risk-management-committee-v2.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
To review Credit, Financial & Liquidity, Debt Management, Operational & Service, Technology, ESG (including climate risk), Reputational & Market (investment), Outsourcing risk and other risk associated with the business of the Company	Quarterly
To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems	
To oversee the implementation of Operational Risk Management and Operational Resilience framework and review the same from time to time	
To have independent discussions with Chief Risk Officer	
To set the 'Risk Appetite/Limit' of the Company based on its 'Risk Capacity' and to review risk profile in relation to approved risk appetite limit	Annually
To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company	
To provide guidance on emerging risks	Event based

Meetings and attendance

During FY2026, the Committee met seven times viz., on 14 April 2025, 28 April 2025, 21 July 2025, 12 September 2025, 10 November 2025, 3 February 2026 and 23 March 2026.

Table 8: Composition of the RMC and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Pramit Jhaveri	1 April 2022	Chairman, Non-executive, Independent	7/7
Sanjiv Bajaj	20 October 2015	Non-executive, Non-independent	7/7
Rajeev Jain	21 May 2008	Executive - Non-independent	6/7
Ajay Kumar Choudhary	21 March 2025	Non-executive, Independent	7/7
Tarun Bajaj	25 July 2025	Non-executive, Independent	4/4
Anup Saha*	21 March 2025	Executive, Non-independent	2/3

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

The Board had accepted all recommendations of the Committee.

Stakeholders Relationship Committee

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

The ToR of the Committee was reviewed during the year. The Matters pertaining to grievances of debenture holders related to creation of charge, payment of interest/principal, maintenance of security cover and any other covenants and deposit holders were expressly added to the ToR. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-stakeholders-relationship-committee.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Resolving the grievances of the security holders including debenture holders	Half yearly
Review measures taken for effective exercise of voting rights by shareholders;	
Adherence to the service standards in respect of various services rendered by the Registrar to an issue and Share Transfer Agent.	

Meetings and attendance

During FY2026, the Committee met two times viz., on 12 September 2025 and 23 March 2026 to review the status of investors' services rendered.

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

Table 9: Composition of the SRC and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Radhika Haribhakti	1 May 2022	Chairperson, Non-executive, Independent	2/2
Sanjiv Bajaj	11 May 2010	Non-executive, Non-independent	2/2
Dr. Arindam Bhattacharya	30 January 2024	Non-executive, Independent	2/2

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

Radhika Haribhakti, Chairperson of the Committee, was present at the AGM of the Company held on 24 July 2025, to answer shareholders' queries.

The Board had accepted all recommendations of the Committee.

Table 10: Details of the investor complaints received during FY2026

No. of complaints outstanding at the beginning of the year	No. of complaints received	No. of complaints not solved to the satisfaction of the shareholders	No. of complaints solved	No. of pending complaints at the end of the year
5	73	0	78	0

Information Technology (IT) Strategy Committee

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

The ToR of the Committee was reviewed during the year. The Matters pertaining to Artificial Intelligence and data privacy governance were added to the ToR. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-it-strategy-committee-v1.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy towards accomplishment of its business objectives	Quarterly
Processes for assessing and managing IT and cybersecurity risks is in place	
Review of internal audit findings with respect to IT processes, information system audit reports and observations pertaining to applicable RBI Master Directions	
Review of information system audit reports and observations for RBI Master Direction on Information Technology and RBI PPI Master Directions	
Review Key IT projects, Security incidents, Vulnerability Assessment Penetration testing (VAPT) including any recurring observation, Third Party Security Governance (TPSG)	
To ensure IT Governance and Information Security Governance structure fosters accountability and its effective implementation	Annually
Budgetary allocations for the IT function, cyber security are commensurate with the IT maturity and digital depth and are utilized in a manner intended for meeting the stated objectives	
Review of all IT and information security policies	

Meeting and attendance

During FY2026, the Committee met six times viz., on 28 April 2025, 18 July 2025, 24 September 2025, 6 November 2025, 29 January 2026 and 17 March 2026.

Table 11: Composition of the IT Strategy Committee and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Dr. Naushad Forbes	17 March 2020	Chairman, Non-executive, Independent	6/6
Rajeev Jain	13 September 2017	Executive, Non-independent	6/6
Ajay Kumar Choudhary	21 March 2025	Non-executive, Independent	6/6
Anup Saha*	21 March 2025	Executive, Non-independent	1/2

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

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

The Board had accepted all recommendations of the Committee.

Customer Service Committee

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

The ToR of the Committee can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-customer-service-committee.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
To oversee and guide implementation of service enhancement initiatives across the Company;	Half yearly
To consider the reports of Internal Ombudsmen	
To review grievance redressal and issues bearing on the quality of services and adherence to Fair Practices Code;	
To review the steps taken for the repayment of the amounts due to the depositors remaining unclaimed or undisbursed	
To review activities of Branch Level Customer Committee meetings	
To review the performance of the Company (with respect to Customer Services) against baseline parameters defined by the management	
Remediation plan for any specific observation from RBI in the inspection reports pertaining to Customer Service, and any other directions and guidelines from RBI	Event based

Meeting and attendance

During FY2026, the Committee met twice viz., on 12 September 2025 and 23 March 2026.

Table 12: Composition of the Customer Service Committee and attendance record of the members for FY2026

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Pramit Jhaveri	14 March 2022	Chairman, Non-executive, Independent	2/2
Sanjiv Bajaj	14 March 2022	Non-executive, Non-independent	2/2
Tarun Bajaj	21 March 2025	Non-executive, Independent	2/2
Rajeev Jain	14 March 2022*	Executive, Non-independent	2/2

*Anup Saha, inducted as member of the Committee and Rajeev Jain, ceased to be member of the Committee, with effect from 21 March 2025. Consequent to the resignation of Anup Saha, Rajeev Jain re-inducted as the member of the committee effect from 25 July 2025.

The Internal Ombudsmen are permanent invitees to the meetings of customer service committee.

The Board had accepted all recommendations of the Committee.

Strategic Investment Committee

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

The ToR of the Committee can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-sic.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
To evaluate, scrutinize, consider and recommend to the Board, Strategic Investment opportunities and business acquisitions in companies, bodies corporate and other entities, based on the recommendation of an internal investment committee for strategic investments	Event based
All investments including further/fresh investments/disinvestments by the Company in its subsidiaries/wholly-owned subsidiaries and affiliates will be subject to review and recommendation of the Committee.	
To review the material developments in the investee companies, synergies derived from investments, review the valuation of investments based on independent valuers reports, review the progress made on the proposal approved by the Committee, and generally review the terms and conditions of investments	Annually

Meeting and Attendance

During FY2026, the Committee met five times viz., on 24 July 2025, 11 August 2025, 10 November 2025, 28 November 2025 and 17 March 2026.

Table 13: Composition of the Strategic Investment Committee and attendance record of the members for FY2026:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Pramit Jhaveri	26 July 2023	Chairman, Non-executive, independent	5/5
Radhika Haribhakti	26 July 2023	Non-executive, independent	5/5
Anami N Roy	26 July 2023	Non-executive, independent	5/5
Sanjiv Bajaj	26 July 2023	Non-executive, Non-independent	5/5
Rajeev Jain	21 March 2025	Executive, Non-independent	5/5

During FY2026, the Board had accepted all recommendations of the Committee.

Special Committee for Monitoring and follow up of cases of fraud

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

During the year, the terms were amended to include matters pertaining to digital frauds. It can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-fmc.pdf.

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
To oversee the effectiveness of the fraud risk management & review and monitor all categories of frauds including digital frauds	Quarterly
To oversee effectiveness of the Early Detection framework through Early warning System (EWS)	
To oversee the organisational structure for institutionalisation of fraud risk management within the overall risk management functions/Department of the Company	Annually
To approve and oversee implementation of fraud risk management policy	

Meeting and Attendance

During FY2026, the Committee met four times viz., on 28 April 2025, 21 July 2025, 6 November 2025 and 2 February 2026.

Table 14: Composition of the Special Committee for monitoring and follow up of cases of fraud and attendance record of the members for FY2026:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Anami N Roy	22 October 2024	Chairman, Non-executive, independent	4/4
Tarun Bajaj	22 October 2024	Non-executive, independent	4/4
Rajeev Jain	22 October 2024	Executive, Non-independent	3/4
Anup Saha*	22 October 2024	Executive, Non-independent	1/2

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

The Board had accepted all recommendations of the Committee.

Credit Committee

A board level committee has been constituted on 20 March 2025 to review and sanction credit facilities for various lines of businesses as per the delegation matrix approved by the Board. As per the policy on lending to related parties effective 1 April 2026, which has been adopted by the Company pursuant to the RBI (Non-Banking Financial Companies – Credit Risk Management) – Directions, 2025, the committee is also vested with powers to sanctions loans and credit facilities to related parties. ToR can be accessed at https://www.bajajfinserv.in/content/dam/bajajfinserv/web/in/en/global/document/corporate/bfl-new/bfl-investor-relations/shareholders-information/terms-of-reference/terms-of-reference-of-credit-committee-v1.pdf.

Meeting and Attendance

During FY2026, the Committee met thirteen times

Broadly the key terms of reference of the Committee are as under:

Particulars	Periodicity
Review, renew and approve credit facilities (including Related Parties) for various lines of businesses upto the prescribed/specified limits.	Event based
Recommend to the Board all credit facilities above the limits of the Committee.	

Table 15: Composition of the Credit Committee:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Anami N Roy	20 March 2025	Chairman, Non-executive, independent	13/13
Radhika Haribhakti	20 March 2025	Non-executive, independent	13/13
Rajeev Jain	20 March 2025	Executive, Non-independent	12/13
Anup Saha*	20 March 2025	Executive, Non-independent	3/4

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

Effective 1 April 2026, the total sitting fees payable to each director is capped at a maximum of ₹ 1,200,000 per annum for meetings of the Committee. No Commission is paid.

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

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

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

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

Meeting and attendance

During FY2026, the Committee met two times viz. on 28 April 2025 and 25 July 2025 to review the wilful defaulters and large defaulters identified by the Identification Committee.

Table 16: Composition of the Review Committee and attendance record of the members for FY2026:

Name of Director	Member of Committee since	Category	Meetings attended/ entitled to attend
Rajeev Jain	15 September 2015	Chairman, Executive, Non-independent	1/2
Anami N Roy	19 May 2020	Non-executive, Independent	2/2
Radhika Haribhakti	27 July 2022	Non-executive, Independent	2/2
Anup Saha*	21 March 2025	Executive, Non-independent	1/1

*Consequent to cessation as director effective from 21 July 2025 (close of business hours), ceased to be a member.

Corporate Social Responsibility

The details of the composition of the Committee, meetings held during the year and attendance thereat, updated terms of reference of the Committee and other details are given in Annual Report of CSR activities.

Asset Liability Management Committee

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

The Vice Chairman & Managing Director chairs the meetings of the Committee.

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

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

Investment Committee

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

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

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

Remuneration of Directors

Pecuniary relationship/transaction with Non-executive directors

During FY2026, there were no pecuniary relationship/transactions of any non–executive directors with the Company, other than receiving sitting fees and remuneration as directors.

Criteria of making payments to Non-executive directors

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

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

Details of remuneration of directors

The details of remuneration payable to all non–executive directors are provided in the table no. 3 of this report.

Non-executive directors' compensation

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

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

The NRC and the Board, at its meetings held on 28 April 2026 and 29 April 2026 respectively, approved payment of Commission of ₹ 5.50 crore to Sanjiv Bajaj for FY2026 for the additional time and commitment devoted by him for reviewing businesses, mentoring and supervising the senior leadership team of the Company, at the request of the management. Being a Non-executive director, he will also be entitled to sitting fees as payable to other NEDs. The total compensation payable to Sanjiv Bajaj does not exceed 50% of the total remuneration payable to all NEDs. Hence, approval of shareholders is not required under regulation 17(6) of the SEBI Listing Regulations. Further, prior approval of the Audit Committee has also been obtained for the said payment of remuneration in terms of provisions of regulation 23 of the SEBI Listing Regulations.

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

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

During the year, the commission has been increased from ₹ 400,000 to ₹ 500,000 per meeting of the Board and/or Committees. No commission is payable for meetings of Corporate Social Responsibility Committee, Credit Committee and Review Committee for wilful defaulter's Identification. The directors are also entitled to a sitting fee at ₹ 100,000 per meeting for every meeting of the Board and/or Committee (except Corporate Social Responsibility Committee) attended by them. As regards credit committee, refer note to table no. 15 of this report.

The Board, at its meeting held on 29 April 2025, approved the payment of sitting fees of ₹ 100,000 and commission of ₹ 500,000 for each separate meeting of Independent Directors.

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

Remuneration to Rajeev Jain (Vice Chairman & Managing Director)

Tenure and Appointment	The tenure of the Vice Chairman & Managing Director is of three years up to 31 March 2028. There is no separate provision for the payment of severance fees. The notice period will be such period as may be mutually agreed between the Vice Chairman & Managing Director and the Board.
Remuneration Structure	His compensation comprises of fixed pay, variable pay and perquisites. The variable pay comprises of cash component in the form of variable pay, of which 50% is deferred over a period of 3 years. Further, the annual bonus it capped at 5 times. The other component of variable pay comprises of stock options. He is eligible for perquisites and other benefits as per company rules. The variable pay is determined *inter alia* basis performance of Company, leadership traits and comparable compensation payable to CEOs across industry basis an independent benchmarking. The compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Directions. Details of remuneration paid to him is covered under Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.
Stock Options – Company Grant (Post Bonus & Sub-division Adjustment)	During FY2026, 1,289,480 stock options were granted to the Vice Chairman & Managing Director at a grant price of ₹ 911.20, being the closing market price on the NSE on the day preceding the day of grant. These grants will vest over a period of four years (25% every year) after a period of one year from the date of grant. The vested options will be exercisable over a period of five years from the date of vesting.
Remuneration from Holding Company and Subsidiary Company	He is also on the Boards of BHFL and BFS as Non-executive Vice chairman and Non-executive Director, respectively. He draws sitting fees and commission from BHFL and BFS at par with other Non-executive directors in terms of their remuneration policy. The total remuneration (sitting fees and commission) drawn for FY2026 from BHFL is ₹ 92 lakh and BFS ₹ 20 lakh.

As regards to Anup Saha, the details with regards to his remuneration drawn for a period from 1 April 2025 till 21 July 2025 in capacity as Managing Director are covered under Form MGT-7 (annual return) which is hosted on the website of the Company and can be accessed at https://www.aboutbajajfinserv.com/finance-investor-relations-annual-reports.

Policies and Regulatory Assurance

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

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

Whistle Blower Policy/Vigil Mechanism

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

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

The policy has been appropriately communicated to the employees within the organisation and has also been hosted on the Company's website which can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policy-v-1-6?scl=1&fmt=pdf

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

During FY2026, no person was denied access to the Audit Committee.

During FY2026, 489 complaints were received by Company out which 26 are pending for resolution as on 31 March 2026.

Related party transactions

All related party transactions entered during FY2026 were in the ordinary course of business and at arm's length. The Company had engaged an independent law firm to review the transactions carried out with related parties during FY2026, to affirm that the transactions are at arm's length nature of such transactions. The said firm, based on its review has concluded that the related party transactions are at arm's length. Approval of the Audit Committee was obtained for all related party transactions entered during FY2026 as per SEBI Listing Regulations. Details of such transactions were placed before the Audit Committee for its review on a quarterly basis.

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

During FY2026, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large. With effect from 19 December 2025, SEBI has revised the criteria for determination of material related party transactions. Accordingly, Company has amended the policy to include the revised criteria. The aforesaid Policy has been hosted on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactions-v4?scl=1&fmt=pdf

Compliances regarding Insider Trading

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

By frequent communications, the Company also makes aware the Designated Persons of their obligations under the SEBI PIT Regulations.

To enable Audit Committee and the Board to review the adequacy and effectiveness of the system of internal controls to ensure compliance with the requirements of SEBI PIT Regulations, the Management had engaged a practicing firm of Company Secretary, to conduct an independent review of the Company's insider trading–related processes and controls.

Based on their review they opined that during the review period the Company has complied with the provisions of the SEBI PIT Regulations and the systems for internal control placed by the Management are adequate and are operating effectively. The Audit Committee based on the external assurance and other materials and information provided, having reviewed compliances with provisions of SEBI PIT Regulations and verified that the systems for internal control are adequate and are operating effectively.

Compliance with covenants

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

Code of Conduct

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

The Company has a Board approved Code of Conduct for Board members and Senior Management of the Company. The Code of Conduct is subject to periodic review. The Code has been placed on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v4?scl=1&fmt=pdf

All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2026. A declaration to this effect signed by the Managing Director forms a part of this Annual Report.

Compliance Certificate

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

Certificate on qualification of Directors

The Company has received a certificate from M/s. Makarand M. Joshi & Co, ('MMJC') practicing company Secretaries and the Secretarial Auditor of the Company, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as a director of the Company by SEBI/Ministry of Corporate Affairs ('MCA') or such other statutory authority for FY2026. The certificate forms a part of this Annual Report.

Other mandatory & non-mandatory disclosures

Orderly succession to Board and Senior Management

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

Review of legal compliance reports

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

Details of material subsidiaries

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

The details of the BHFL are as under:

Sr. No.	Particulars	Information about BHFL
1.	Date of incorporation	13 June 2008
2.	Place of incorporation	Pune
3.	Registered office	Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi Pune- 411 035
4.	Name of the Joint Statutory Auditors	A. Mukund M Chitale & Co., Chartered Accountants B. Singhi & Co., Chartered Accountants
5.	Date of appointment of Auditors	22 July 2024
6.	Period of appointment of Auditors	3 years, from the conclusion of 16th AGM till conclusion of 19th AGM to be held in the year 2027
7.	Other details	• The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. • It is registered as Housing Finance Company with National Housing Bank (Registration No. 09.0127.15) and has been classified in the Upper Layer as per RBI Directions. • It is also registered as a corporate agent with the Insurance Regulatory and Development Authority of India ('IRDAI').

The Policy on 'material subsidiaries', as approved by the Board, is available on the Company's website and can be accessed at https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-determining-material-subsidiaries-v6?scl=1&fmt=pdf.

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

Loans and advances

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

The information pursuant to applicable RBI Directions on Loans and advances to directors or their relative are provided under Notes to Accounts of Annual Financial Statement.

Share Capital

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

Further, the details on change in share capital are given in the Directors' Report.

Utilisation of funds raised through Preferential Allotment

During the year under review, the Company has not raised funds by issue of equity shares either on preferential basis or through qualified institutions placement. Therefore, there are no details to be disclosed as per regulation 32(7A) of the SEBI Listing Regulations.

Commodity price risks and commodity hedging activities

The Company is not directly exposed to commodity price risk and hedging activities.

The details on foreign exchange risk are provided under General Shareholder Information.

Management discussion and analysis

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

Disclosure of material transactions

Pursuant to the SEBI Listing Regulations, senior management is required to make disclosures to the Board relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company at large. As per the disclosures submitted by the Senior Management, there were no such transactions during FY2026.

Means of communication

- Website
- Investor calls / Group Meetings with institutional investors
- Half Yearly Communication & Annual Report
- Disclosures to the exchanges
- Financial Results
- Press release in Print & E-Paper
- Social Media

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

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

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

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

Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM	Voting percentage of shareholders participated*		
36th AGM - Through VC Deemed Venue: Registered office	26 July 2023 at 3:30 P.M.	1. Issue of non-convertible debentures through private placement.	**Particulars**	**% favour**	**% Against**
			All shareholders	99.35	0.65
			Non-promoter category	98.10	1.90
		2. Alteration of Articles of Association of the Company.	**Particulars**	**% favour**	**% Against**
			All shareholders	100	0.00
			Non-promoter category	99.99	0.01
37th AGM -Hyatt Regency, Viman Nagar, Pune	23 July 2024 at 3:30 P.M.	1. Appointment of Tarun Bajaj (DIN: 02026219) as an independent director for a term of five consecutive years w.e.f. 1 August 2024.	**Particulars**	**% favour**	**% Against**
			All shareholders	99.92	0.08
			Non-promoter category	99.79	0.21
		2. Issue of non-convertible debentures through private placement	**Particulars**	**% favour**	**% Against**
			All shareholders	99.39	0.61
			Non-promoter category	98.34	1.66
38th AGM - Hyatt Regency, Viman Nagar, Pune	24 July 2025 at 3:30 P.M.	1. Issue of non-convertible debentures through private placement	**Particulars**	**% favour**	**% Against**
			All shareholders	98.69	1.31
			Non-promoter category	96.45	3.55
		2. Modification to the Employee Stock Option Scheme, 2009	**Particulars**	**% favour**	**% Against**
			All shareholders	98.71	1.29
			Non-promoter category	96.51	3.49
		3. Approval to extend the benefits and grant of options to the employee(s) of holding and/ or subsidiary company(ies) under the Employee Stock Option Scheme, 2009.	**Particulars**	**% favour**	**% Against**
			All shareholders	94.95	5.05
			Non-promoter category	86.37	13.63
		4. Approval to authorise the Trust, to acquire equity shares from secondary market for implementation of the Employee Stock Option Scheme, 2009.	**Particulars**	**% favour**	**% Against**
			All shareholders	99.70	0.30
			Non-promoter category	99.19	0.81

*The Percentages have been rounded off to two decimals.

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

During FY2026, the Company did not pass any special resolution through postal ballot. The details of the previous postal ballots are available on the website at https://www.bajajfinserv.in/finance-investor-relations-general-meeting-and-postal-ballots.

As on the date of this report, there are no special resolutions proposed to be conducted through postal ballot.

C. Procedure for postal ballot

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

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

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

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

In view of the relaxation granted by MCA, postal ballot notice had been sent through email, to all those members who had registered their email IDs with the Company/Depositories. The Company also provides instructions to register the mail address to the members who have not registered the same, to enable the Company to provide all communications through email.

Details of capital market non-compliance, if any

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

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

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

Details of penalties imposed by Regulatory Authorities

Details with regards to the penalties imposed by regulatory authorities are provided under notes to standalone financial statements.

Report on Corporate Governance

This section read together with the information given in the Directors' Report, the section on Management Discussion and Analysis and General Shareholder Information, constitute the compliance report on Corporate Governance for FY2026.

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

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

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

Number of complaints filed during FY2026	8
Number of complaints disposed of during FY2026	6
Number of complaints pending at the end of FY2026	2

Fees paid to statutory auditors

Fees paid to Kirtane and Pandit LLP ('KP') and Price Waterhouse LLP ("PwC"), including all entities in their network firm/entity of which they are a part, is given below:

(₹ in lakh)

Sr. No.	Particulars	KP	PwC
1.	Audit Fees	41.08	130.54
2.	Fees for other services	38.33	26.84

Senior Management

Details of SMTs as on 31 March 2026 and changes therein during FY2026 pursuant to provisions of Schedule V (C)(5B) of the SEBI Listing Regulations are as follows:

Sr. No	Name of SMTs	Designation	Change
1.	Ajay Sharda	President - Risk	-
2.	Amit Raghuvanshi	President – Cars, Two-Wheeler and Sales Finance	-
3.	Anand Bagri	Senior Executive Vice President - Treasury	-
4.	Anand Kumar	President - Microfinance	-
5.	Anupam Sirbhaiya	President and Chief Human Resources and Administration Officer	Ceased with effect from 1 November 2025
6.	Anurag Chottani	Chief Operating Officer	-
7.	Babu Rao	General Counsel	Ceased with effect from 16 October 2025 (close of the business hours)
8.	Deepak Bagati	Chief Operating Officer - Debt Management Services	-
9.	Deepak Reddy	President - Rural Lending, Gold Loans & Insurance Businesses	Ceased with effect from the 30 June 2025 (close of the business hours)
10.	Dr. Gauri Chandratreya	Executive Vice President - Corporate Audit Services	-
11.	Fakhari Sarjan	Chief Risk Officer	Re-appointed with effect from 1 July 2025
12.	Harjeet Toor	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 1 May 2025
13.	Jennifer Fernandes	Chief Human Resources & Administration Officer	Elevated to Chief Human Resources Officer with effect from 10 November 2025
14.	Manav Mianwal	President - Digital Platforms	-
15.	Manish Jain	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 1 May 2025
16.	Manish Kumar Jain	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 10 November 2025
17.	Mudit Mehrish	Chief Information Officer	-
18.	Neelesh Sarda	Chief Compliance Officer	Re-appointed with effect from 1 February 2026
19.	Nitin Neema	Executive Vice President – Operations, Credit and Service	-
20.	Nitish Asthana	President – Payments	-
21.	Prashant Verma	Chief Information and Security Officer	-
22.	Sandeep Jain	Chief Operating Officer and Chief Financial Officer	-
23.	Sidhant Dadwal	Deputy Chief Executive Officer	Elevated to Deputy Chief Executive Officer with effect from 1 May 2025
24.	Tushar Kanti Deb	Executive Vice President – DMS	Effective from 1 April 2026
25.	R Vijay	Company Secretary	-

Notes: Vivek Likhite, President – Corporate Audit Services and Kurush Irani, President – Corporate Social Responsibility, ceased to SMTs effective 29 April 2025. Though, this has been reported in Annual Report FY2025, repeated here as the effective date falls in FY2026.

Disclosure of certain types of agreements binding listed entities

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

Compliance of mandatory and discretionary requirements

Mandatory

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

Discretionary

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

1. **Shareholder rights**

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

2. **Modified opinion(s) in audit report**

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

3. **Separate posts of Chairperson and the Managing Director**

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

Auditors' certificate on Corporate Governance

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

Declaration by the Chief Executive Officer/Managing Director

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

To,
The Board of Directors
Bajaj Finance Ltd.

I, Rajeev Jain, Vice Chairman & Managing Director of Bajaj Finance Ltd. hereby declare that all the Board members and senior managerial personnel have affirmed compliance with the Code of Conduct of the Company laid down for them for the year ended 31 March 2026.

Rajeev Jain
Vice Chairman & Managing Director

Pune: 29 April 2026