



# CHAIRMAN'S LETTER

## Dear Shareholder,

Allow me to begin with a short tribute to Shri Rahul Bajaj, who was for long the Chairman, and more recently the Chairman Emeritus, of your Company. This tribute is from a son to a beloved father.

My father was unique and special. People across the country – even those who did not know him personally – lauded him for being fearless and outspoken. I have not seen many who had his courage to honestly share his convictions. People who worked closely with him knew of his pinpointed focus on details and his legendary eyesight and concentration that could unerringly focus on the tiniest error without fail. Just as he was courageous and outspoken, he was quick and generous to accept his mistakes. And within that supreme confidence of his, he was compassionate and caring to all those he knew. He was my mentor, counsellor and friend.

I will miss him. Yet, I am secure in the knowledge that the values he instilled in me will always remain.

Let me start with a word. 'Resilience'. Your Company and all its businesses have shown enormous resilience in the last two years – be it through the three successive waves of Covid and the organisational transformations that these entailed, the macroeconomic slowdown that pre-dated Covid and fundamental changes in the industry that we belong to, and the strength to take all necessary provisions without damaging our financials and capital adequacy. Such resilience was shown by every employee across each business of your Company.

There is another word that comes to my mind. It is 'Focus'. Across the enterprises that constitute your Company, the focus has been to create new, powerful, fast and all-encompassing digital capabilities; add new products; and create greater synergy and efficiencies- all to better service our customers.

In this, Bajaj Finance Ltd. (BFL) leads the pack; closely followed by Bajaj Allianz Life Insurance Company Ltd. (BALIC) and Bajaj Allianz General Insurance Company Ltd. (BAGIC). Through focus, BALIC has transformed itself into one of India's top life insurers with strong profitable growth. Thanks to years of uninterrupted profitability, BAGIC has completed 14 consecutive years, since its last capital infusion and continues to be one of the most efficient users of capital among the private sector insurance companies.

I am particularly proud of the performance of Bajaj Housing Finance Ltd. (BHFL), a 100% subsidiary of BFL. It formally started lending operations from July 2017. In less than five years, it has created multiple businesses where the aggregate assets under management amount to ₹ 53,322 crore. In FY2022, BHFL earned total income of ₹ 3,767 crore; net interest income of ₹ 1,612 crore; profit before tax of ₹ 960 crore; and profit after tax of ₹ 710 crore. It is an extremely creditable performance. Indeed, BHFL is fast growing into an adult to join the other three large enterprises in your Company – BFL, BALIC and BAGIC.

Let me now move on to ideas for the future.

As a 100% subsidiary of BFL, we have Bajaj Financial Securities Ltd. This is a digital stockbroker, offering customers that avail of Loan Against Securities (LAS) from BFL, a full suite of investment products and services. It is an all-in-one digital platform combining demat, broking, margin trade financing for retail and HNI clients on a predominantly B2C platform.

We have created Bajaj Finserv Direct Ltd. (Bajaj Markets), a subsidiary of your Company. This is also a digital marketplace for financial services products from loans to insurance, mutual funds, investments, lifestyle products, payments and e-commerce. Our intent is to attract new-to-Finserv customers by creating discovery and experience of the brand through a seamless digital medium.

Healthcare is becoming very important to all citizens of India, especially after the pandemic. To deal with this, we have created Bajaj Finserv Health Ltd., as a 100% subsidiary of your Company. This venture aims to transform healthcare in India by integrating a fragmented healthcare delivery ecosystem with technology and financial services on a digital platform to bring quality healthcare closer to the consumers' reach. As an example, it introduced 'Aarogya Care', an industry-first product, offering a wide range of personalised, preventive and prepaid healthcare packages such as OPD care, telemedicine and other services.

Your Company is starting a mutual fund and asset management business through Bajaj Finserv Asset Management Ltd., its 100% subsidiary. Having obtained an in-principle approval to set up this enterprise, we are completing the requirements for the final licence.

Covid created an unprecedented health crisis, especially during the Delta wave. We took multiple initiatives to ensure safety and well-being of our employees and their families, and extended financial and logistical support towards diagnosis and treatment.

Further, the Bajaj group of companies supported Mega Vaccination Drives which administered over 1 million doses of the Covid vaccine to beneficiaries in the districts of Pune and Aurangabad. The Bajaj Group contributed ₹ 170 crore to support the nationwide fight against Covid, to alleviate the immediate on-ground challenges, build capabilities and resources. This included the installation of 12 oxygen plants to provide more than 5,000 LPM of oxygen supply to rural and urban hospitals plus respiratory support equipment like oxygen concentrators, ventilators and BiPaps to help augment their capacity in treating Covid patients.

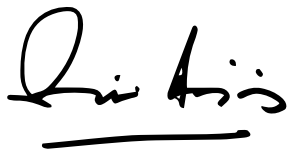
Let me conclude by making two other observations.

Over the last couple of years, we have seen considerable regulatory tightening – be it from the Reserve Bank of India (RBI), the Insurance Regulatory and Development Authority of India (IRDAI) and the Securities and Exchange Board of India (SEBI). We welcome these developments because, as we see it, these are prompting fundamental structural changes in the ways in which the industry does business and, in doing so, are separating men from the boys.

My other observation is about our corporate culture. This has been hard-baked across all our organisations. It involves customer centrality; perennial quest for greater operational efficiencies; managerial ownership, empowerment and accountability; welcoming disruptive innovations and long-term profitable growth. These, more than anything else, have created value for your Company and its subsidiaries. And, will continue doing so in the years to come.

Thank you for your support. With my best wishes,

Yours sincerely,



**Sanjiv Bajaj**

Chairman & Managing Director