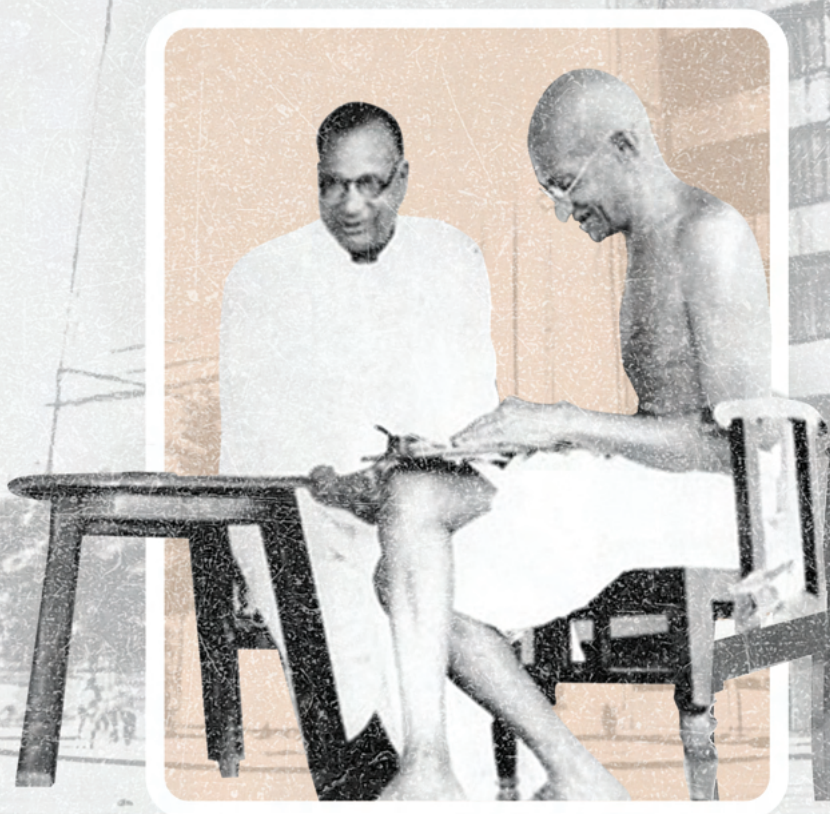


18<sup>th</sup>  
**ANNUAL  
REPORT**  
2024-2025



**FINSERV**



Bajaj Finserv House,  
Viman Nagar, Pune

Gandhiji meeting Jamnalal Bajaj during  
his visit to Sevagram Ashram, circa 1930s



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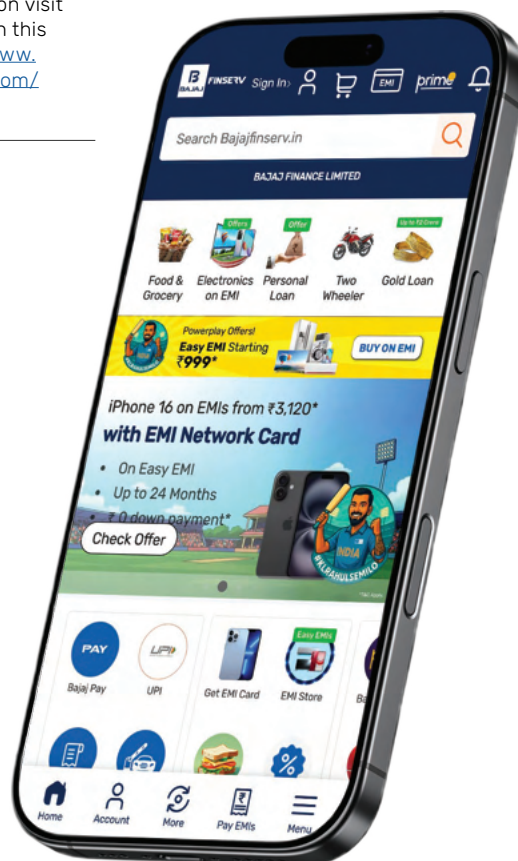


For more information visit our website or Scan this QR code: <https://www.aboutbajajfinserv.com/>

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Your Company's vision is to be a diversified yet integrated financial services entity with a pan-India presence and offer lifecycle financial solutions for its various customers.

The fundamental rationale of BFS is to continuously integrate the various companies under its wing – both directly and increasingly digitally – and, by doing so, enhance customer experience in ways such that the aggregate becomes larger than the sum of its parts.

While seeking to pursue its business goals, the Bajaj Group continues its tradition of giving back to society. Last year, the Bajaj Group announced Bajaj Beyond – an initiative that commits ₹5,000 crore, expected to positively impact over two crore Indians over the next five years, with a primary focus on skilling for livelihood.

Skillserv is the in-house skilling initiative at Bajaj Finserv. Under the umbrella of Skillserv, the flagship Certificate Programme in Banking, Finance and Insurance (CPBFI) has empowered youth for over seven years. In FY2025, Skillserv expanded beyond CPBFI to target training in insurance, gold loans and microfinance. We will seek to build a range of such offerings, leveraging our experience and providing opportunities for aspiring young Indians to skill and upskill themselves – thereby enhancing their economic and social prospects.

Skillserv is the most significant initiative under the Bajaj Finserv CSR programme, which we hope will bring tangible benefits to young Indians while addressing employability – a key priority for India in the coming years.

**Sanjiv Bajaj**

Chairman & Managing Director  
Bajaj Finserv Ltd.



# Rooted in Purpose. Growing with Time.

## Our Legacy

The Bajaj Group owes its enduring legacy to its founder Shri Jamnalal Bajaj, a humanitarian, freedom fighter, philanthropist, social reformer and a devoted follower of Mahatma Gandhi.

He was known as much for his earnestness and strict code of ethics in business, as for his active and integral part in India's freedom movement.

As part of the Bajaj Group, over the years, Bajaj Finserv's foundational commitment to serve the nation has remained unwavering.

## Our Purpose

To be a place where innovation, agility and ownership thrive

Creating responsible leaders who build long-term profitable businesses

To delight our customers by creating constant value across the customer lifecycle

Enhance financial inclusion, serve communities and the nation, by being the Financial Services Lifecycle Partner to every Indian

## Now as Then: New Opportunities. Unchanged Commitment to India.

Values are timeless. Our history inspires our future. Our commitment to serving India is time-tested.

As one of India's largest and most diversified financial services groups, our companies are a financial lifecycle partner to India's mass-affluent and middle-income population, offering financial products for every need, including loans, fixed deposits, general and life insurance, and investments.

Our businesses reflect the growth of India, its resilience and people's aspiration of a better life.

In our quest to build responsible businesses, we have placed significant emphasis on financial inclusion and innovation, leveraging new-age technologies to reach underserved locations and consumer segments. We were among the first adopters of cloud technology, data analytics and decision systems, and have continued to stay in the forefront of financial technology.

With time, we are continuously transforming to serve our customers better and deliver long-term sustainable growth to stakeholders. As part of this, we are embracing the incredible power of AI for innovation, reduced costs, better efficiencies and improved customer experiences.

Bajaj Finserv companies, on average, disburse over 140,000 loans and issue over 130,000 insurance policies each day.

We are committed to serving society now, just as we were then.

Our Corporate Social Responsibility programmes are creating a positive impact through skilling of youth, child health and education, inclusion initiatives for Persons with Disabilities (PwDs) and livelihood creation for women from economically weaker sections of society.

308+  
million  
CUSTOMERS SERVED



4,200+  
LOCATIONS



750+  
PRODUCTS



TOTAL DISTRIBUTION POINTS

225,000+  
INSURANCE AGENTS

340,000  
ACTIVE POINTS OF SALE (INSURANCE)





# Chairman's Letter



**The Bajaj group's acquisition of 26% stake each in BAGIC and BALIC indicates our commitment to the insurance ventures and the financial services sector in India.**



**Sanjiv Bajaj**

Chairman &  
Managing Director





**Dear Shareholder,**

Let me begin with a tribute to Madhur Bajaj who passed away on 11 April 2025. He was until recently a director of Bajaj Finserv and other Bajaj group companies for over three decades. We will miss his valuable support which we had during his long association with the group.

Your Company's vision is to be a diversified yet integrated financial services entity with a pan-India presence and offer lifecycle financial solutions for its various customers.

The needs of all customers across their financial lifecycle ideally involve five phases:

- 1) Asset acquisition:** These are assisted through loans (be these personal, home and commercial).
- 2) Asset protection:** This is carried out through general insurance policies.
- 3) Family health and income protection:** These are done using general, health and life insurance, guaranteed savings and digital access to the health ecosystem.
- 4) Investment and wealth management:** These are provided through unit-linked investment products (ULIPs), mutual funds, fixed deposits and shares.
- 5) Retirement:** This is met by annuities.

These needs are provided by companies through omnichannel (a) products and solutions, and (b) digital-first platforms. Within your Company, these are:

**a) Products and solutions,** provided by:

- i. Bajaj Finance Ltd. (BFL), a large, listed, well-recognised and significantly profitable consumer finance and lending business in which BFS holds 51.39% stake; and its listed subsidiary, Bajaj Housing Finance Ltd. (BHFL) in which BFL holds 88.75% stake.
- ii. Bajaj Allianz General Insurance Company Ltd. (BAGIC); and Bajaj Allianz Life Insurance Company Ltd. (BALIC). These are unlisted joint ventures with Allianz SE of Germany, the global insurance and asset management company. In each of these companies, BFS holds 74% stake.
- iii. Bajaj Finserv Asset Management Ltd. (BFS AMC), an unlisted wholly-owned subsidiary of BFS. It is in the mutual fund business and offers host of innovative investment products and solutions.

**b) Digital-first platforms,** offered via:

- i. Bajaj Finserv Direct Ltd. (BFSD), an unlisted subsidiary in which BFS holds 80.10% stake with the remaining 19.90% held by BFL. BFSD operates a financial products marketplace and offers technology services;
- ii. Bajaj Finserv Health Ltd., a health-tech venture, in which BFS holds 100% stake; and
- iii. Bajaj Financial Securities Ltd. (BFSL), another wholly-owned subsidiary of BFL which provides digital stock-broking and demat services.

What is role of Bajaj Finserv across all these companies?

While it may still look to some of you that Bajaj Finserv (BFS) is like a holding company, it is much more than that. At the risk of repetition, let me clearly reiterate that the fundamental rationale of BFS is to continuously integrate the various companies under its wing – both directly and increasingly digitally – and, by doing so, enhance customer experience in ways such that the aggregate becomes larger than the sum of its parts.

Bajaj Finserv's role hence is to regularly monitor and engage with its companies with some key objectives:

- Be the preferred partner for all financial lifecycle needs of customers.
- Create constant value across the customer lifecycle.
- Build maintainable businesses to deliver long-term sustainable profit, meaningful market share and effectively use capital – and so deliver superior shareholder returns.
- Be a place where innovation, agility and ownership thrives, thus creating great leaders who build long-term businesses to delight customers.
- Focus on regulatory compliances proactively in letter and spirit.



Your Company's monitoring and engaging roles are under six heads:

- 1) Business and strategy:** Rigorous engagement in long range planning and annual operating plans; regular review of all businesses and their SBUs; and periodic analysis of new business opportunities as well as strategic investments.
- 2) Risk management:** Harmonisation of risk policies and framework; regular engagement with the Chief Risk Officers of the businesses; periodic review of top enterprise risks including credit, business, financial, operational, reputational, as well as the mitigation actions planned; and driving risk-related projects across the group.
- 3) Collaboration and best practices:** These involve group knowledge forums covering analytics, technology, investments, governance, and the like; cross-company projects on data, innovation and digital strategy; and a stress identification forum to identify any cross-functional view on investment risks across the group.
- 4) People/HR:** The notion of 'One Finserv' which translates to group talent mobility; group young leader management trainee programmes; 30 Under 30 programme; and a merit-based remuneration plan combining fixed cash, annual bonus and ESOPs.
- 5) Customer experience, investments and ESG:** To define customer service protocols for businesses; to review and standardise investment processes; and to provide oversight of Environment, Social and Governance (ESG) policy and its implementation across the group.
- 6) Corporate social responsibility (CSR):** To harmonise the CSR efforts of the businesses in a focused manner with aligned goals so as to optimise impact on the beneficiaries.

Let me now take you through the key financial results for FY2025 of the enterprises that constitute your Company.

With respect to the **established companies**, in the lending business –

**Bajaj Finance Ltd. (BFL), on consolidated basis** surpassed assets under management (AUM) of ₹ 400,000 crore and a customer franchise of over 100 million. Profit after tax (PAT) grew by 15% to ₹ 16,638 crore, delivering a return on average assets (ROA) of 4.6% and return on average equity (ROE) of 19.2%. The loan provisioning for the year was higher at ₹ 7,966 crore, up from ₹ 4,631 crore in FY2024 on account of model redevelopment, macro-level deterioration, increasing leverage on unsecured loans and increased AUM.

**Bajaj Housing Finance Ltd. (BHFL)**, a subsidiary of BFL, got listed on the equity segment of the National Stock Exchange and the Stock Exchange, Mumbai (BSE) with an IPO of ₹ 6,560 crore. BHFL saw its AUM increase by 26% to ₹ 114,684 crore and PAT by 25% to ₹ 2,163 crore.

**Bajaj Financial Securities Ltd. (BFSL)**, again a subsidiary of BFL providing digital stock broking services ended the year with a customer franchise of 979,000 and PAT growth of 148% to ₹ 139 crore.

On the insurance businesses –

Your Company signed Share Purchase Agreements to acquire the 26% interest owned by Allianz SE in Bajaj Allianz General Insurance Company (BAGIC) and Bajaj Allianz Life Insurance Company (BALIC). This will increase the Bajaj group's ownership in BAGIC and BALIC to 100%. The agreed consideration for 26% stake in BAGIC is ₹ 13,780 crore and in BALIC it is ₹ 10,400 crore, totalling ₹ 24,180 crore. These acquisitions are subject to necessary regulatory approvals. This I believe is one of the largest deals in the financial services space in the recent times and indicates our commitment to the insurance ventures and the financial services sector in India.

Coming to **Bajaj Allianz General Insurance Company Ltd. (BAGIC)**, the Company continues to be the 3rd largest general insurer, measured by gross direct premium, ahead of three public sector insurers of significantly longer vintage. Gross written premium (GWP) for FY2025 stood at ₹ 21,583 crore with a growth of 5%. Excluding tender driven business of crop and government health insurance, BAGIC's growth was 8%. Growth for the industry was impacted by the change in accounting for long-term products. BAGIC's market share in the industry, including standalone insurers, was 7.2% in FY2025. PAT was ₹ 1,832 crore with a growth of 18%.



**Bajaj Allianz Life Insurance Company Ltd. (BALIC)**, maintained its market share at 5.9% on Individual rated new business (IRNB) premium with a growth of 12%. Gross written premium (GWP) for BALIC increased by 18% to ₹ 27,160 crore. The Value of new business (VNB), which is a measure of profitability of the business written in FY2025, was ₹ 1,152 crore, a growth of 9%. The AUM was at ₹ 123,734 crore with a PAT of ₹ 508 crore.

Let me now move to the **emerging businesses** –

**Bajaj Finserv Direct Ltd. (BFSD)** recorded a revenue of ₹ 598 crore and turned cash positive during the year.

**Bajaj Finserv Health Ltd. (Bajaj Finserv Health)** recorded a consolidated revenue of ₹ 892 crore and has worked on integrating Vidal Healthcare to deliver unified services.

**Bajaj Finserv Asset Management Ltd. (BFS AMC)** achieved an impressive milestone with an AUM of ₹ 20,365 crore as on 31 March 2025, within two years of start of operations.

**Bajaj Finserv, on consolidated basis** posted an all-time high financial performance.

- Consolidated revenue of ₹ 133,822 crore.
- Consolidated profit after tax (PAT) of ₹ 8,872 crore.

Continuing the strong tradition of giving back, the Bajaj group announced **Bajaj Beyond** – an initiative which commits ₹ 5,000 crore impacting over two crore Indians over the next five years, with a focus on skilling.

Let me now touch upon your Company's employability initiative which I closely identify with.

This is the **Skillserv** Initiative under Bajaj Beyond wherein we are bringing our expertise of our Industry to create and deliver skilling programmes to bridge the skill gap. Our flagship offering – CPBFI (Certificate Programme in Banking, Finance and Insurance) aims to bridge this gap by providing comprehensive skills training in the BFSI domain. This 120-hour programme seeks to equip the youth with industry relevant skills. Notably, 68% of participants are first-generation graduates, predominantly young aspirants from tier 2 or 3 cities, of whom some 61% are women.

CPBFI has trained over 100,000 students since inception and 46,807 students in FY2025 alone, spanning over 161 districts and 23 states in India.

Skillserv has expanded its range of BFSI offerings beyond CPBFI by piloting new offerings in the space of insurance, gold loans and micro finance. We are also building our library of digital programmes. Over time we will build an ecosystem of such offerings, leveraging our expertise and providing the opportunity to skill and upskill and thereby create economic and social opportunities for our citizens.

This is an important initiative of Bajaj group continuing its focus of giving back to society.

Thank you as always for your support to BFS. And my thanks to each and every employee of the group to deliver the kind of results that you see today.

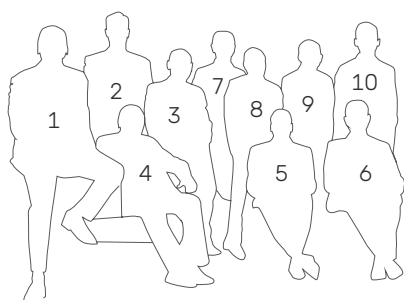
Yours sincerely,

**Sanjiv Bajaj**

Chairman & Managing Director

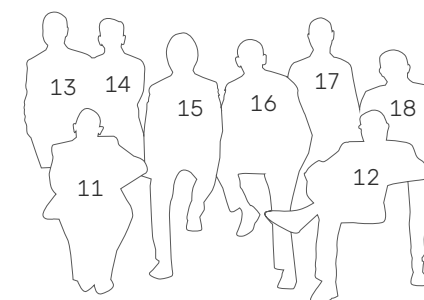


# Our Leadership



- 1. Anish Amin**  
President (Group Risk, Assurance & Human Resource), Bajaj Finserv Ltd.
- 2. Ganesh Mohan**  
Managing Director, Bajaj Finserv Asset Management Ltd.
- 3. Sam Subramaniam**  
President (Private Equity Investments & Group Strategy), Bajaj Finserv Ltd.
- 4. Purav Jhaveri**  
President (Investments), Bajaj Finserv Ltd.
- 5. Rajeev Jain**  
Vice Chairman, Bajaj Finance Ltd.

- 6. Sanjiv Bajaj**  
Chairman and Managing Director, Bajaj Finserv Ltd.
- 7. Tarun Chugh**  
Managing Director and CEO, Bajaj Allianz Life Insurance Co. Ltd.
- 8. Dr. N Srinivasa Rao**  
Chief Economist and President (Corporate Affairs), Bajaj Finserv Ltd.
- 9. V Rajagopalan**  
President (Legal and Taxation), Bajaj Finserv Ltd.
- 10. Atul Jain**  
Managing Director, Bajaj Housing Finance Ltd.



- 11. Anup Saha**  
Managing Director, Bajaj Finance Ltd.
- 12. Manish Jain**  
Managing Director, Bajaj Financial Securities Ltd.
- 13. Tapan Singhel**  
Managing Director and CEO, Bajaj Allianz General Insurance Co. Ltd.
- 14. S Sreenivasan**  
President (Insurance and Special Projects), Bajaj Finserv Ltd.

- 15. Ramandeep Singh Sahni**  
Chief Financial Officer, Bajaj Finserv Ltd.
- 16. Devang Mody**  
Managing Director and CEO, Bajaj Finserv Health Ltd.
- 17. Kurush Irani**  
President (CSR), Bajaj Finserv Ltd.
- 18. Ashish Panchal**  
Managing Director and CEO, Bajaj Finserv Direct Ltd.



# Corporate Information

## Board of Directors

---

**Sanjiv Bajaj**

Chairman & Managing Director

**Dr. Naushad Forbes****Anami N Roy****Pramit Jhaveri****Radhika Haribhakti****Sanjiv Sahai**

(w.e.f. 1 March 2025)

**Rajiv Bajaj****Rajeev Jain**

(w.e.f. 1 April 2025)

**Manish Kejriwal**

## Risk Management Committee

---

**Pramit Jhaveri**

Chairman

**Dr. Naushad Forbes****Sanjiv Sahai**

(w.e.f. 22 March 2025)

**Sanjiv Bajaj****Anish Amin**

## Corporate Social Responsibility Committee

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**Dr. Naushad Forbes**

Chairman

**Anami N Roy****Sanjiv Bajaj**

## Audit Committee

---

**Dr. Naushad Forbes**

Chairman

**Pramit Jhaveri****Anami N Roy****Sanjiv Sahai**

(w.e.f. 22 March 2025)

## Stakeholders Relationship Committee

---

**Radhika Haribhakti**

Chairperson

**Dr. Naushad Forbes****Sanjiv Bajaj**

## Nomination and Remuneration Committee

---

**Anami N Roy**

Chairman

**Dr. Naushad Forbes****Radhika Haribhakti****Manish Kejriwal**

## Strategic Investment Committee

---

**Pramit Jhaveri**

Chairman

**Anami N Roy****Radhika Haribhakti****Sanjiv Bajaj**



**Leadership Team****S Sreenivasan**

President (Insurance &amp; Special Projects)

**V Rajagopalan**

President (Legal &amp; Taxation)

**Anish Amin**

President (Group Risk, Assurance &amp; HR)

**Purav Jhaveri**

President (Investments)

**Dr. N Srinivasa Rao**

Chief Economist &amp; President (Corporate Affairs)

**Kurush Irani**

President (CSR)

**Sam Subramaniam**

President (Private Equity Investments &amp; Group Strategy)

**Tapan Singhel**

MD &amp; CEO, Bajaj Allianz General Insurance Company Ltd.

**Tarun Chugh**

MD &amp; CEO, Bajaj Allianz Life Insurance Company Ltd.

**Anup Saha**

MD, Bajaj Finance Ltd

**Atul Jain**

MD, Bajaj Housing Finance Ltd.

**Manish Jain**

MD, Bajaj Financial Securities Ltd.

**Devang Mody**

MD &amp; CEO, Bajaj Finserv Health Ltd.

**Ganesh Mohan**

MD, Bajaj Finserv Asset Management Ltd.

**Ashish Panchal**

MD &amp; CEO, Bajaj Finserv Direct Ltd.

**Chief Financial Officer****Ramandeep Singh Sahni****Company Secretary****Uma Shende****Statutory Auditors****KKC & Associates LLP****Secretarial Auditor****Shyamprasad D Limaye****Cost Auditors****Dhananjay V Joshi & Associates****Bankers****Deutsche Bank****Citibank N A****HDFC Bank****State Bank of India****Registered Office**Bajaj Auto Ltd. Complex,  
Mumbai - Pune Road,  
Pune - 411 035**CIN: L65923PN2007PLC130075****Corporate Office**Bajaj Finserv House  
Viman Nagar, Pune - 411 014**Registrar and Share Transfer Agent****KFin Technologies Ltd.**Unit: Bajaj Finserv Ltd.  
Selenium Building, Tower-B,  
Plot No 31 & 32, Financial District,  
Nanakramguda, Serilingampally,  
Hyderabad, Rangareddy, Telangana, - 500 032  
Toll free no.1800 309 4001  
Email ID: [einward.ris@kfintech.com](mailto:einward.ris@kfintech.com)  
Website: <https://www.kfintech.com/>

# Building Responsible Businesses: Whole Greater than Sum of Parts

## FY2025 – The Year in Review

### Diversified Financial Services

#### Bajaj Finserv

Continuously transforming  
through innovation

**₹133,822 crore**

ALL-TIME HIGH CONSOLIDATED TOTAL  
INCOME, UP 21%

**₹8,872 crore**

ALL-TIME HIGH PROFIT AFTER TAX, UP 9%

BFS companies meet  
consumers' lifecycle needs  
through constantly evolving  
products and platforms

### Home Finance

#### Bajaj Housing Finance

Among the largest and the fastest-  
growing home finance companies with  
a full range of mortgage products with  
customised propositions for self-  
employed and salaried customers.

**₹114,684 crore**

ASSETS UNDER MANAGEMENT, UP 26%

### Mutual Funds

#### Bajaj Finserv Asset Management

Aims to be a full stack AMC with active and  
passive products, across debt, equity and  
hybrid, for retail, HNI and institutional investors  
with a unique behavioural finance-based  
investment philosophy.

**675,000**

INVESTORS SERVED

### Financing, Deposits, Investments

#### Bajaj Finance

Largest NBFC with an optimal mix of risk and  
sustainable profits. Committed to continuous  
tech-led innovation. Uses digitalisation and  
analytics to transform customer experience.

**₹416,661 crore**

CONSOLIDATED ASSETS UNDER  
MANAGEMENT, UP 26%

**₹16,638 crore**

PROFIT AFTER TAX, UP 15%

**43.42 million**

NEW LOANS BOOKED, UP 20%



## Financial & Life Protection

### Bajaj Allianz Life Insurance Company

One of India's fastest-growing private life insurers offering seamless, simplified and personalised experiences.

**12%**  
INDIVIDUAL  
RATED BUSINESS  
PREMIUM GROWTH

**61%**  
INCREASE IN  
INDIVIDUAL TERM  
LIFE POLICIES

**29%**  
STRONG RENEWALS  
GROWTH

**₹123,734 crore**  
ASSETS UNDER  
MANAGEMENT, UP 13%

## Digital Financial Marketplace & Technology Services

### Bajaj Finserv Direct

Digital marketplace for financial services; cloud based digital native architecture leveraging API ecosystem, Big Data, modern web and app technologies. It's Technology Services offers Digital Application Development, Enterprise Solution Development, Data Engineering, Analytics, Quality Assurances & Automation and Managed Cloud Services.

**96**  
TOTAL UNIQUE  
PARTNERS

**3 million+**  
TRANSACTIONING CUSTOMERS

## Digital Stockbroker

### Bajaj Financial Securities

All-in-one digital platform combining demat, broking, margin trade financing for retail and HNI clients.

**40%**  
GROWTH IN CUSTOMER FRANCHISE

## Health Tech

### Bajaj Finserv Health

A digital platform that integrates the fragmented healthcare delivery ecosystem. Offers products and services to individuals and corporates, from preventive to prepaid healthcare packages including OPD care, and telemedicine.

**130 million**  
LIVES IN IPD SERVICED ANNUALLY

## Property, Casualty and Health Protection

### Bajaj Allianz General Insurance Company

Amongst the leading and most profitable private insurers with strong underwriting and product innovation, driven by technology, strives to be the best claims-paying general and health insurer.

**₹21,583 crore**  
GROSS WRITTEN PREMIUM

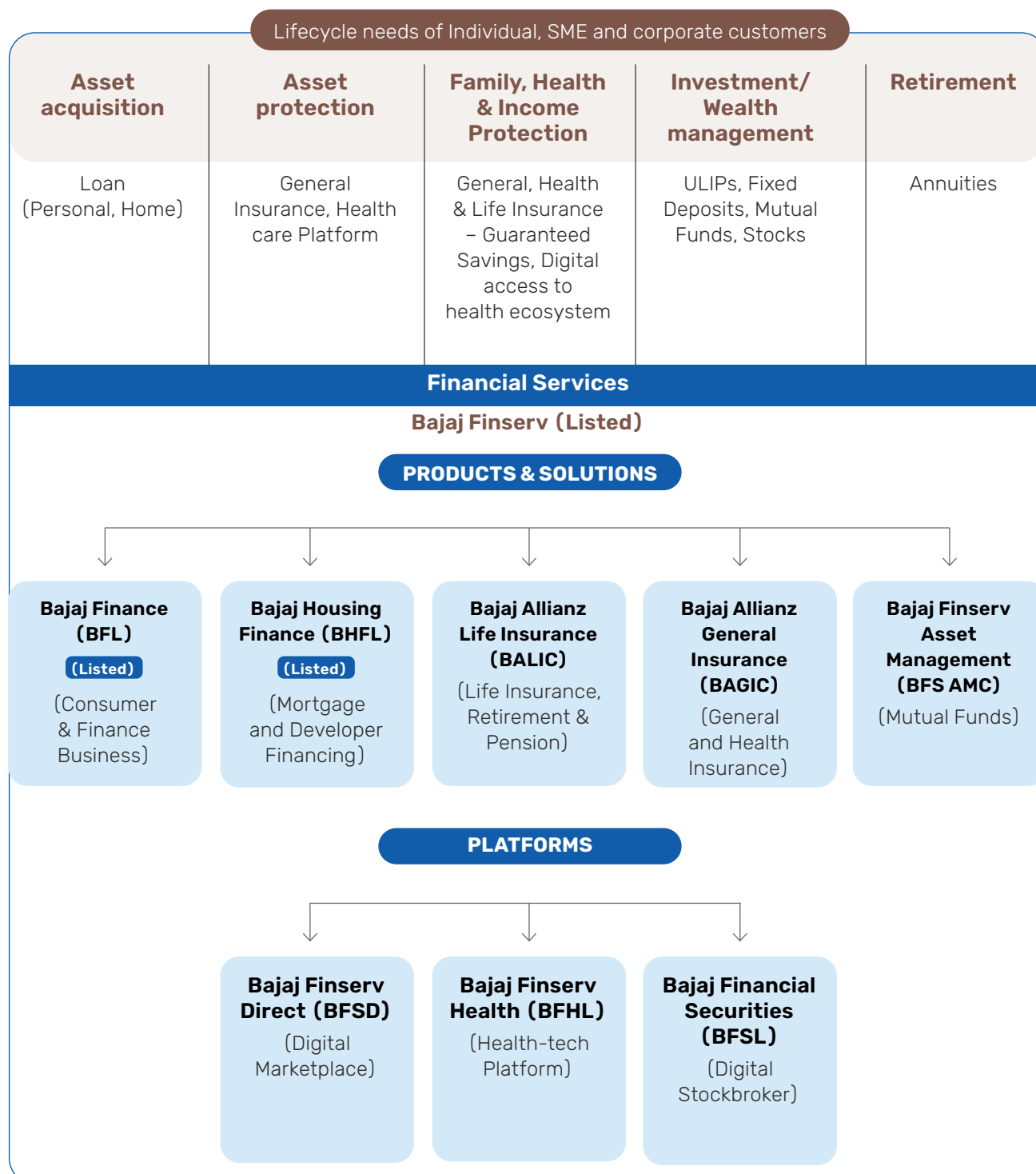
**₹33,115 crore**  
ASSETS UNDER  
MANAGEMENT

**325%**  
ONE OF THE  
HIGHEST SOLVENCY  
RATIOS IN INDUSTRY

# Strong Track Record

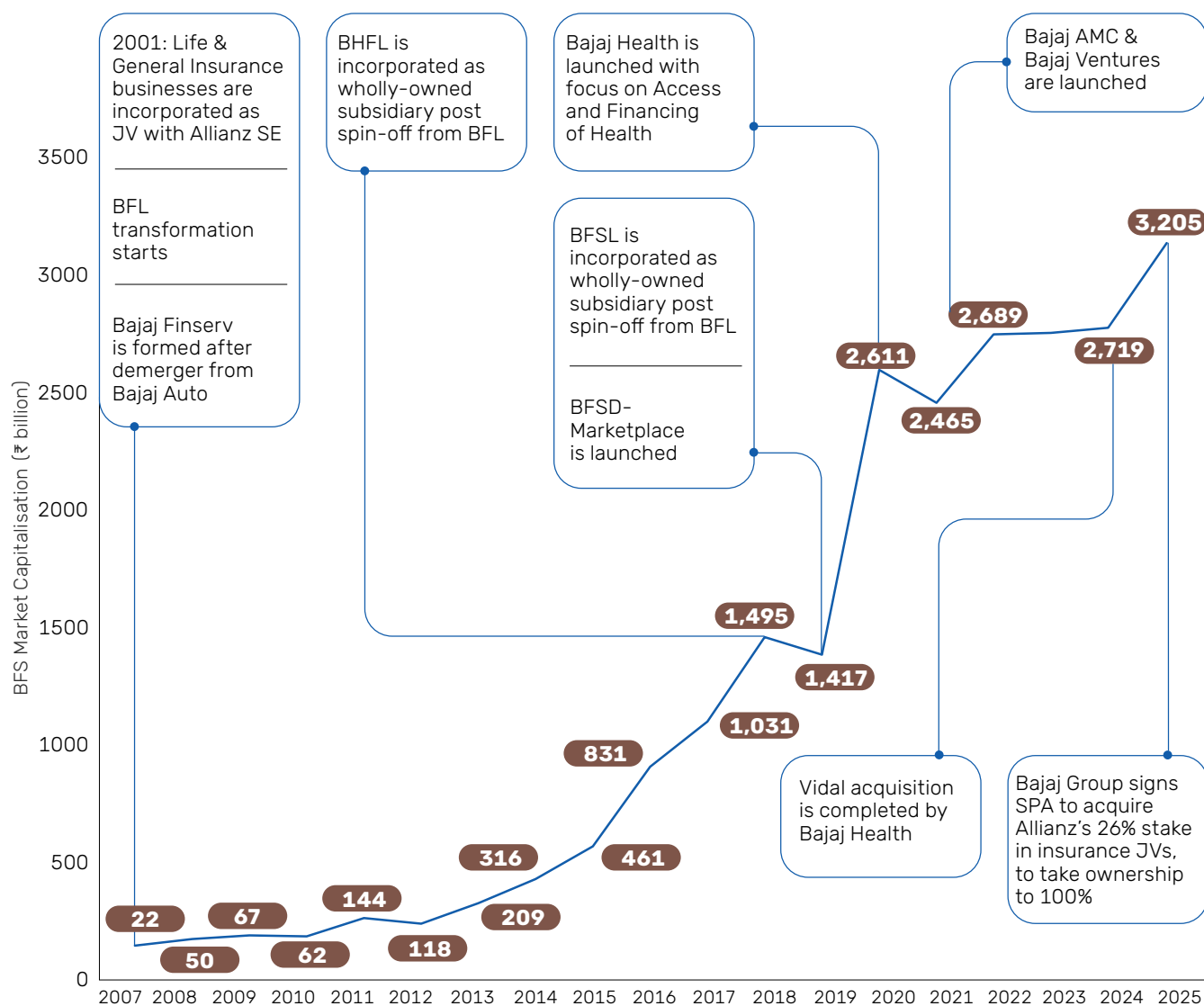
**For 18 years, our businesses have evolved to cater to financial lifecycle needs of customers and to deliver value to stakeholders.**

**A diversified financial services group with a pan-India presence**





# Bajaj Finserv's Journey through Time



## FY2025 Set the Stage for Bajaj Finserv's Next Phase of Growth

- Bajaj Finserv signed Share Purchase Agreements to acquire the 26% interest owned by Allianz SE in Bajaj Allianz General Insurance Company and Bajaj Allianz Life Insurance Company, increasing Bajaj Group's ownership in BAGIC and BALIC to 100%
- Bajaj Housing Finance successfully concluded its Initial Public Offer (IPO) of ₹6,560 crore
- Bajaj Finance started to pivot to BFL 3.0 - a FinAI company
- Bajaj Finserv Health entered hospitalisation claims management with the successful acquisition of 100% stake in Vidal Healthcare Services
- Bajaj Finserv Direct turned cash positive in FY2025



# Our Priorities

## 01 Opportunity for Customers

**Bajaj Finserv seeks to be a Financial Lifecycle Partner to Every Indian.**

We anticipate our customers' needs before they do and create opportunities for them, through financial inclusion of new-to-credit customers and underserved businesses, home loans for first-time homeowners, savings and protection products, health and wellness offerings, payments and investments.

Within our vision to be a financial services provider of choice, we are providing customers more ways of discovering us through our expanding channels. With a focus on service and engagement, we are creating more and more ways for our customers to experience us. In line with this, our Apps offer customers the convenience of DIY transactions and resolutions 24/7. Our channels are being continuously transformed for enhanced service and heightened fraud awareness.

**Customer Obsession is at the core to our business philosophy. This translates to a huge thrust on customer fairness, transparency and innovation.**

We are also optimistic about the opportunity that a growing India offers. Bajaj Finserv companies have a 2.75% share of the retail credit market in India, rank third in general insurance and sixth in life insurance, and second in the housing finance market. This means a significant opportunity for us as well to reach more customers and deepen our wallet share.



**26 million**  
NEW-TO-CREDIT  
CUSTOMERS FINANCIALLY  
INCLUDED BY BFL IN  
6 YEARS

**19.7+ million**  
FARMERS INSURED  
PAN-INDIA BY BAGIC

**35.2+ million**  
GROUP LIVES COVERED  
BY BALIC IN FY2025

**192+ million**  
LIVES SERVICED BY BAJAJ  
FINSERV HEALTH UNDER  
AYUSHMAN BHARAT

**Affordable  
home loans**  
LAUNCHED BY BAJAJ  
HOUSING FINANCE

**3.72 million**  
BAJAJ FINANCE'S QRs  
AT MERCHANT POS





# Our Priorities

## 02 Transformation through Technology

**Technology is a gamechanger. It enables us to anticipate customer needs, respond faster and more precisely.**

We are excited about the opportunities offered by AI to build remarkable customer experiences and help our businesses grow. **At Bajaj Finserv, we are driving digital transformation by leveraging Gen AI across businesses and functions for improved efficiencies.**

**Bajaj Finance is pivoting into a BFL 3.0 - a FinAI Company,** with AI enabled technology architecture, which integrates AI across all its processes to significantly improve customer engagement, grow revenue, reduce Opex, reduce credit costs, enhance productivity and strengthen controllership.

Some of this includes conversational AI for sales, responsible and explainable AI for risk management, AI-driven engagement and training to increase productivity, and co-pilot and auto-pilot in operations, services and audit. Integration of AI across all its processes will not only deliver significant operating leverage but also create a virtuous growth cycle.

**Our businesses are data-driven,** and we believe new-age technologies will continue to be key enablers for making our customers' lives financially better, improving their experiences, constantly stepping up risk management efforts, fraud prevention and operating efficiencies.

**300+**  
GEN AI PROJECTS  
ACROSS COMPANIES

**603 million**  
VISITS ON BFL  
WEBSITE

**70.6 million**  
NET INSTALLS ON  
BAJAJ FINSERV APP  
OF BFL

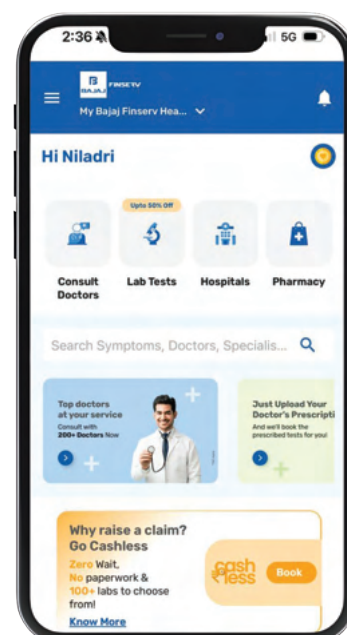
**81.8%**  
DIGITAL SERVICING  
AT BAGIC

**38.7%**  
SERVICE REQUESTS  
INITIATED ON APP AND  
WEB BY BFL

**7.7 million**  
LOAN REPAYMENT  
RECEIPTS GENERATED  
ON APP AND WEB BY  
BFL CUSTOMERS

## Bajaj Finserv Health

**APP-FIRST APPROACH,  
MICROSERVICE-SCALABLE  
ARCHITECTURE, AI-LED  
ABUSE MANAGEMENT  
SERVICES**



## 03

Efficiency in  
Capital Utilisation

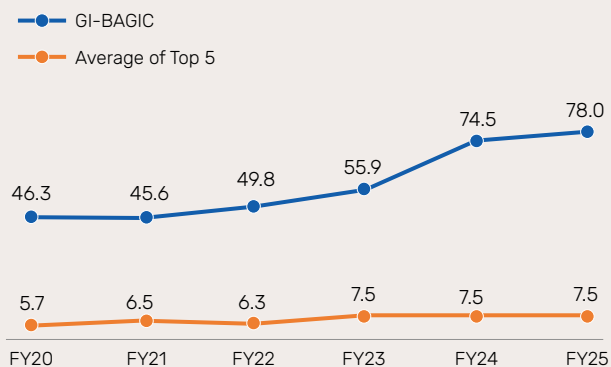
Our decades-long guiding principle has been to drive growth while also being risk-first and maintaining optimum capital efficiency. A slew of measures, including expanding franchises, using technology for greater efficiency and focus on diversification has helped us maintain a robust capital position while allowing us flexibility to invest in customers and businesses.

## Capital Efficiency – Insurance Companies

## General Insurance

Combined Ratio (5 year avg)*	<b>BAGIC</b> <b>99.6%</b>	<b>Industry</b> <b>117.5%</b>	<b>Top 5 Pvt.</b> <b>106.3%</b>
---------------------------------	------------------------------	----------------------------------	------------------------------------

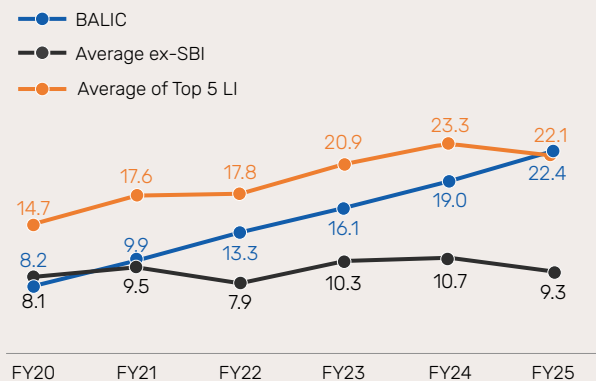
## GWP to Capital Invested - BAGIC



## Life Insurance

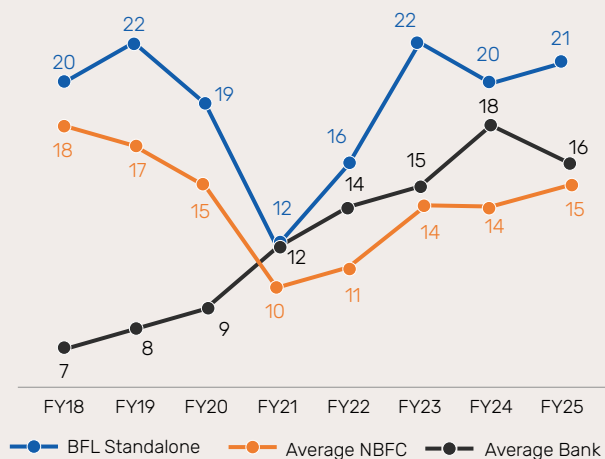
Market share of New Biz value (NBV) among Top 5 Pvt. peers%	<b>BALIC-% market share of NBV</b>		
	<b>FY20</b>	<b>FY22</b>	<b>FY24</b>
	<b>3.4%</b>	<b>5.8%</b>	<b>7.4%</b>

## GWP to Capital Invested - BALIC

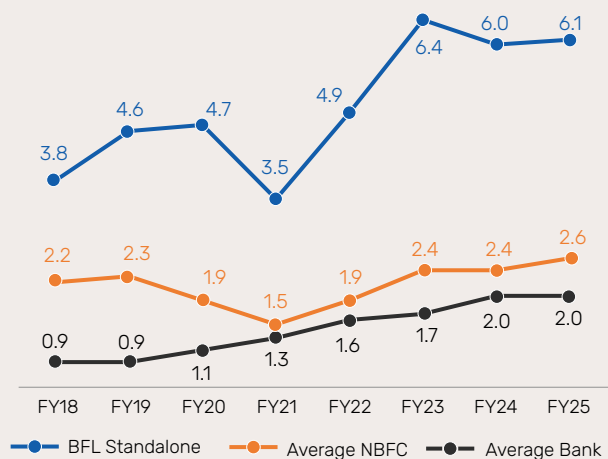


## Capital Efficiency – Bajaj Finance

## BFL ROE vs Industry Average (%)



## BFL ROA vs Industry Average (%)



Source: RBI, Respective company reports

\* Data till FY24



# Our Priorities

## 04 Right Culture through **People**

**Our people have always been at the heart of our businesses, and we remain deeply focused on attracting, nurturing and retaining top talent.** They embody our values, which are set in our Culture wheel, made up of Mindsets and corresponding Behaviours (refer to Management Discussion & Analysis for our Culture wheel).



### Succession Planning

We place emphasis on nurturing internal talent at Bajaj Finserv, by using a 'grow from within' career management framework. Some of the key initiatives include:

- **Group Young Leaders Program**  
Aims to recruit top-tier talent from leading tier-1 B-schools and groom them for leadership roles by moving them across roles within the Company they join and Bajaj Finserv entities.
- **Group Finance Associate Program**  
Focused on developing leadership depth and bench in the finance function across Bajaj Finserv entities by hiring smart fresh CAs from ICAI.
- **One Finserv Careers**  
A talent mobility initiative to facilitate effective talent movement across our companies.
- **30-Under-30**  
Talent acceleration programme targeted at identifying and grooming high potential talent below the age of 30 by putting them through an experience-based journey for three years, handling 30% additional responsibilities through projects in the first year, job rotation in the second year, and movement across Group companies in the third year.
- **Leadership Development**  
Accelerated journeys that prepares leaders for successful transitions for the next level of responsibilities.

**104,000+**  
COLLEAGUES

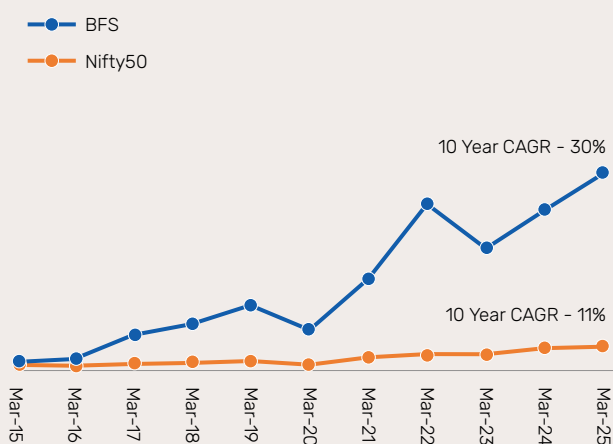
05

Sustainable Long-term  
Growth for **Stakeholders**

We are committed to delivering long-term sustainable growth to our shareholders, just as we are steadfast in contributing to a stronger, more inclusive economy of India. This long-held principle helps us stay committed to the highest standards of compliance and corporate governance. Bajaj Finserv promotes the sharing of best practices, knowledge and leadership skills across its companies, so each of them benefit from being a part of Bajaj Finserv.

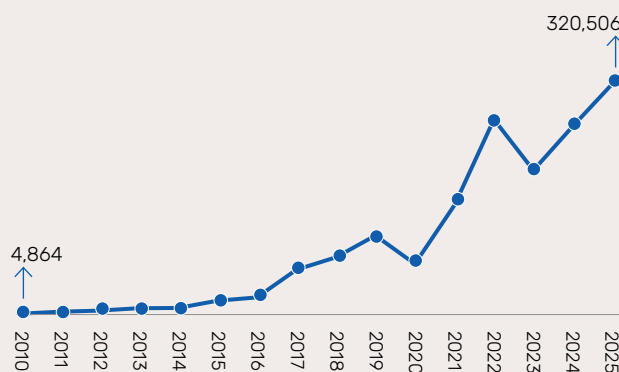
**726,092****NUMBER OF  
SHAREHOLDERS****Change in Share Price**

(%)

**Market Capitalisation**

(₹ in crore)

15 Year CAGR - 32%



At the listing ceremony of  
Bajaj Housing Finance:

(R) Sanjiv Bajaj - Chairman,  
Atul Jain - MD, BHFL

(L) Ashishkumar Chauhan -  
MD & CEO, NSE, Rajeev Jain -  
Vice Chairman, BFL & Gaurav  
Kalani - CFO, BHFL



# Our Priorities

06

## Environmental, Social and Governance (ESG)

### Preserving & Protecting Environment

Strive to adopt environmental practices and processes that minimise/eliminate the adverse impact on environment due to Company operations.

**~84 million units**

OF ELECTRICITY GENERATED IN FY2025 THROUGH WIND TURBINES; BAJAJ FINSERV CONSISTENTLY PRODUCES MORE RENEWABLE ENERGY THAN IT CONSUMES THROUGH ALL ITS SUBSIDIARIES PAN INDIA



### Customer Centricity

Innovate/invest in products, technologies and processes that enhance customer experience and promote professional, fair and transparent dealings.

**97%**

BFL's CSAT SCORE, REFLECTING STRONG CUSTOMER ENGAGEMENT

HIGHEST NPS AND LOWEST GRIEVANCE RATIO FOR BAGIC CONSISTENTLY FOR AROUND A DECADE

### Financial Inclusion

Provide access to relevant and affordable financial products and services that meet the needs of larger society.

**418**

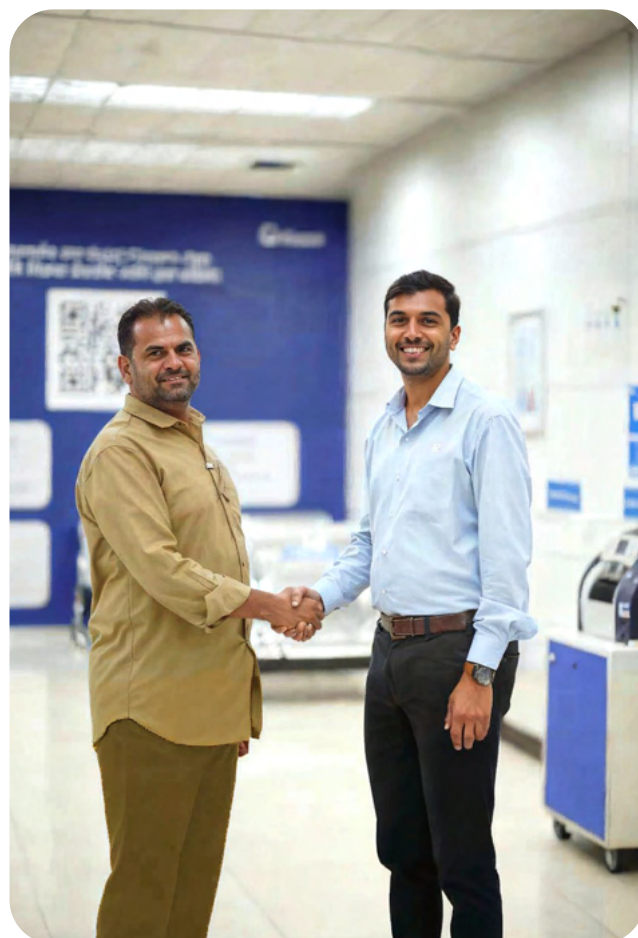
BFL'S MICROFINANCE BRANCHES

**345,000+**

GROUP LENDING LOANS TO WOMEN IN **25,000** VILLAGES

**42.2+ million**

LIVES COVERED UNDER GOVERNMENT HEALTH, LIFE AND CROP INSURANCE SCHEMES



### Stakeholder Engagement

Engage with relevant stakeholders for enhancing the sustainable and responsible business practices.

### Human Capital Management

Create a thriving, safe and inclusive workplace for employees and provide merit-based opportunities for professional development and growth.

# 97,000+

**EMPLOYEES COMPLETED AT LEAST ONE DEVELOPMENT PROGRAMME – 93% OF TOTAL**



### Information and Cyber Security

Adopt robust information security, cyber security and fraud control practices.

**ZERO DATA BREACHES IN FY2025**



### Governance

Board-approved 'Responsible Business Conduct and Sustainability Policy'.

Conduct and govern business with integrity in a manner that is ethical, transparent and accountable.



### Empowering Society

Promote social welfare activities for inclusive growth, equitable development, and well-being of society.

# 3.4+ million

**PEOPLE BENEFITTED**

# 265

**PROJECTS**

# ₹335+ crore

**CSR SPENDS IN FY2025**





# Our Priorities

## 07 Our Commitment to Society: Corporate Social Responsibility

### Shaping Better Futures for Youth of Today and Tomorrow

Backed by a strong legacy of community impact, Bajaj Finserv, through Bajaj Beyond, is dedicated to shaping a better future for 'Youth of Today' and 'Youth of Tomorrow'. The initiative spans key focus areas, including Skilling, Child Education, Child Health, Child Protection, and Inclusion for Persons with Disabilities. We work closely with grassroots organisations, partners, schools, institutions and hospitals to drive meaningful change.

In FY2025, we implemented 265 projects with a CSR spend of ₹335.73 crore, further strengthening our commitment to social impact.

### Skillserv: Skilling and Employability to Empower Youth

Bajaj Finserv is committed to bridging the skills gap through skilling and employability programmes, self-employment initiatives, and entrepreneurial support, with a focus on youth and women from disadvantaged backgrounds. Our flagship initiative, Skillserv, aims to bridge the employability gap in the BFSI sector by offering comprehensive, industry-relevant training programmes.

**46,807**  
STUDENTS TRAINED  
FOR SKILLSERV  
PROGRAMMES

**177,349**  
BENEFITTED FROM SKILLING  
THROUGH GRANT-MAKING  
PROGRAMMES

Note: Beneficiary estimates are based on the full project period and not necessarily for the financial year under consideration.



### Self-implemented Initiative

The Certificate Program in Banking, Finance and Insurance (CPBFI) is our 120-hour comprehensive module designed to equip youth with the knowledge and skills demanded by the industry.

To expand the reach of the CPBFI programme, Bajaj Finserv launched Project Odiserv in collaboration with the Ministry of Skill Development and Entrepreneurship to roll out CPBFI across 60 colleges in Odisha, covering 11 cities and 10 districts. A major milestone has been the programme's recognition as an awarding body by NCVET, a prestigious endorsement that places CPBFI among a select group of high-quality, industry-driven skill development offerings.

In addition to CPBFI, Skillserv is piloting new skilling modules in niche BFSI segments such as insurance, gold loans, and microfinance, while actively developing a growing library of digital programmes. Over time, Skillserv aims to create a robust skilling ecosystem that leverages Bajaj Finserv's sectoral expertise to unlock economic and social opportunities for underserved youth across the country.

### Skilling through Grant-making Initiatives

We partnered with multiple organisations to deliver a diverse range of training and skilling programmes, ensuring broader access to skill development and employment opportunities across various sectors and demographics.

### Sector-specific Training Programmes

We support targeted skill development through a mix of short and long term vocational and need-based programmes. These projects are designed to benefit youth from marginalised or underserved communities, helping them learn specific skills that meet the demands of specific industries, regions or entrepreneurial models.

### Healthcare Skilling

Within the healthcare domain, our efforts are directed towards enhancing the capacity of healthcare professionals, especially paramedics and technical staff, through targeted capacity-building and fellowship initiatives. We work towards addressing healthcare needs in rural, urban and tribal communities, thereby reducing migration pressures.

### Skill Development for Persons with Disabilities

We recognise that individuals with disabilities, including those with intellectual and developmental challenges such as autism, Down Syndrome, and cerebral palsy, often face limited opportunities in the job market. We collaborate closely with partners to design and implement skill development programmes that cater to their unique needs, including enterprise-based and employability-focused skills.

### Self-Employment and Entrepreneurship Development

We support individuals in establishing micro and nano-enterprises, helping them transition into income-generating activities with long-term potential. To drive innovation in the skilling ecosystem, we have also incubated social startups that address critical challenges in employability and vocational training.

### Women Empowerment

We are committed to empowering women—especially those from marginalised communities, rural areas and lower socio-economic backgrounds—by equipping them with skills needed for employment or entrepreneurship. Through diverse training programmes in healthcare, retail, hospitality, artisanal crafts, and food processing, we aim to enable sustainable income generation and foster economic independence.



### Well-being of Children: A Comprehensive Approach

Investing in children's well-being is essential for long-term societal progress. We support initiatives in child health, education, protection, and inclusion for persons with disabilities, ensuring a holistic impact on their development.

# 32,460

WERE SUPPORTED THROUGH  
HEALTH INTERVENTIONS

# 2,562,998

BENEFITTED FROM EDUCATION-  
RELATED INITIATIVES

# 43,860

SUPPORTED UNDER CHILDREN  
PROTECTION

# 554,229

PERSONS WITH DISABILITIES  
(PWDS) WERE SUPPORTED

Note: Beneficiary estimates are based on the full project period and not just the financial year under consideration.



# Our Priorities

07

## PanIIT: Empowering Rural Youth through Industry-aligned Skilling

The demand for skilled blue-collar workers in sectors like construction and manufacturing is on the rise. Yet, limited access to quality education continues to trap rural youth in a cycle of underemployment and poverty. The PanIIT Alumni Reach for India (PARFI) project offers a sustainable, no-cost skilling model with assured job placements—empowering underserved youth through industry-aligned training and improved household income. Supported by Bajaj Finserv, the project will benefit 2,000 underprivileged youth from rural India. In a recent milestone, seven girls from remote Jharkhand villages, born to small farmers and daily wage earners, were selected for specialised training at Renesas in Malaysia's advanced semiconductor industry.



## Child Health

We are committed to providing holistic care for children under 18 years facing critical health conditions through a combination of medical and surgical support, infrastructure enhancement, and community awareness. We specifically focus on Cleft lip and palate, heart diseases, paediatric cancer, type 1 diabetes and epilepsy. Our interventions focus not only on treatment and surgeries but also on early diagnostics, community-based screening, and awareness to reach last mile beneficiaries.

## Cleft Care

We are dedicated to supporting children born with cleft lip and palate conditions, ensuring access to timely surgeries and comprehensive care. In collaboration with Smile Train India, we launched the Maha Smiles initiative in Maharashtra, with the goal of performing comprehensive cleft care while driving awareness for early intervention.

## Type 1 Diabetes Care

We support comprehensive care for children with Type 1 Diabetes (T1D) by providing access to medical treatment, diabetes education, counselling, and overall family support. We have partnered with HCJMRI Hospital to establish a Centre of Excellence for T1D, operating on a Hub and Spoke model with a central Hub in Pune and satellite Spokes in Nagpur and Kolhapur.

## Paediatric Heart Care

Our efforts encompass supporting surgeries for congenital heart disease, raising community awareness about early interventions and heart defects through community-based screening and referrals.

## Cancer Care

Paediatric cancer support initiatives facilitate access to advanced treatments and holistic care for children fighting cancer.

## Epilepsy Care

Critical surgeries and medicinal assistance are provided to children affected by epilepsy, improving their quality of life and developmental outcomes.

## Healthcare Infrastructure

Hospitals were equipped with advanced paediatric medical equipment, and healthcare workers were trained to improve service delivery and patient outcomes.



### Sai Sanjeevani Hospitals: Healing Little Hearts

Sri Sathya Sai Sanjeevani Centres for Child Heart Care provide free, high-quality treatment to children with congenital heart disease (CHD), including complex surgeries, using state-of-the-art infrastructure. Through Bajaj Finserv's backing, it supports surgeries, awareness, advocacy and early referral, skilling of healthcare workers and genomic research.

With assistance from Bajaj Finserv, the hospital is expanding its capacity through a new 10-bed ICU and modular OT—enabling additional surgeries annually and reducing the waiting list for underserved children. Diagnosed with CHD at just one, Ganesh's parents—migrants from Bihar—feared surgery after losing a family member to the same condition. They delayed treatment, hoping he'd recover on his own. As his condition worsened, a relative guided them to Sai Sanjeevani Hospital in Navi Mumbai, where a successful surgery finally let Ganesh breathe freely.



### Child Education

We have implemented targeted interventions and collaborations to strengthen foundational literacy and numeracy, STEM education, and social-emotional learning among children. The initiatives are directed towards enhancing children's lives by aligning with government programmes and schemes.

### Digital and Tech-based Interventions

We collaborate with organisations to facilitate digital teaching interventions, harnessing technology to augment educational accessibility and effectiveness.

### Foundational Literacy and Numeracy

Projects target barriers to foundational learning and numeracy, with a specific focus on bolstering academic performance in core subjects through innovative approaches.

### Mental Health Interventions

Partnerships enable mental health interventions, encompassing emotional well-being promotion and behavioural issue mitigation, vital for fostering a conducive learning environment.

### Early Childhood Education

Centred on cognitive, social, and emotional development, early childhood education initiatives prioritise language enhancement and school readiness, laying a strong foundation for future academic success.

### Comprehensive School Interventions

Comprehensive interventions encompass nutrition support, health check-ups, and skill development to enhance employability, ensuring students are equipped with essential competencies.

### Vocational Education Initiatives

Efforts in vocational education aim to impart practical skills and industry knowledge, contributing to decreased dropout rates and heightened employability prospects.

### Scholarship Support

We extend scholarship support, facilitating the completion of education and opening doors to brighter futures for deserving students.

### Health & Well-Being

Annual health check-ups and follow-up treatments prioritise children's well-being and address potential health concerns proactively.



# Our Priorities

07

## Lend A Hand India: Real-World Skills for School Students

Despite growing investments, India's secondary school curriculum (Grades 9–12) often lacks the practical and vocational relevance needed for today's world. The gap between what students learn and the skills real life demands remains wide.

To address this, Lend A Hand India (LAHI) aims to upgrade vocational education in 30 schools across Pune, benefitting 3,000 students. The initiative includes refurbishing school labs, training and upskilling educators, providing industry exposure (including internships), and introducing robust monitoring tools. The goal is to make school education more hands-on and aligned with real-world needs, while enhancing outcomes from existing government skill programmes.

Through LAHI's internship programme, supported by Bajaj Finserv CSR, Shravni Bhonsale is interning with an arts studio. Her story reflects NEP 2020 in action—where vocational training builds confidence, nurtures talent and opens doors to career possibilities. Strategic support like this turns potential into progress.



## Child Protection

We are committed to protecting vulnerable children from marginalised communities who face risks such as trafficking, abuse, child labour, legal conflicts and juvenile delinquency. Through strategic partnerships, we strive to create safe and nurturing environments that prioritise holistic development and long-term well-being.

### Institutional Care

Comprehensive support was provided to shelter homes and child welfare institutions, ensuring safe housing and holistic care.

### Rescue and Rehabilitation

Child rescue operations were conducted at railway platforms, with a focus on reuniting children with their families and rehabilitating them.

### Adoption and Daycare Support

Safe spaces and early childhood care services were provided for children of construction workers, ensuring their well-being.

### Community Protection Programmes

Education and protection programmes were integrated to empower children in vulnerable communities and improve their employability.

### Aftercare and Transition Support

Ongoing guidance and assistance to children transitioning between phases of life, ensuring continuity of care and support beyond immediate interventions.

### Awareness and Sensitisation

Collaborative efforts extend to raising awareness and sensitizing communities about child sexual abuse, creating safer environments for children.

### Inclusion for Persons with Disabilities

We focus on the well-being of Persons with Disabilities (PwDs) by facilitating their inclusion into mainstream society. We address intellectual, developmental, physical, and locomotor disabilities, with emphasis on early identification, intervention and counselling.

#### Rehabilitation and Comprehensive Care

Early therapies, parental counselling and continuous support programmes were implemented to enhance quality of life for persons with disabilities.

#### Educational Inclusion

Supporting special schools, inclusive education initiatives, and vocational training programmes aimed at empowering Persons with Disabilities through education.

#### Medical Rehabilitation

Access to aids, prosthetics, and critical medical treatments was facilitated to improve mobility and health outcomes.

#### Assistive Technology

Various technological advancements were leveraged to enhance disability support and accessibility for individuals with disabilities.

#### Community-based Inclusion

Projects offer therapies, counselling, educational support, medical aids and employment opportunities at the community level.

### Competitive Exam and Fellowships

Students with disabilities were supported in clearing competitive exams, ensuring access to higher education and employment opportunities.

### Measuring the Impact of Our Actions

Bajaj Finserv is committed to making a positive impact on society through various CSR initiatives.

Our CSR projects span education, healthcare, livelihoods, skilling and People with Disabilities (PwDs). We believe it is essential to assess the outcomes and effectiveness of these initiatives to ensure they align with our objectives and contribute meaningfully to the well-being of the communities we serve.

In FY2025, we conducted assessment of 26 CSR projects. The assessment exercise helped us understand the impact of our work on ground and highlighted associated challenges, feeding into our decision-making process and motivating continued engagement in thoughtful learning and reflection.

### Taking the Responsible Road Ahead

Alongside our continued focus on the development of child and youth beneficiaries, the Company is committed to deepening its impact in Pune city through multi-pronged interventions, partner capacity building, and the implementation of more strategic, outcome-driven projects.





# With the changing world and your financial needs, we've kept pace.

The central smartphone screen displays the Bajaj Finserv app interface. At the top, it shows the Bajaj Finserv logo, a 'Sign In' button, and icons for a shopping cart, EMI, prime, and notifications. Below this is a search bar labeled 'Search Bajajfinserv.in'. The main content area features a grid of service categories: Food & Grocery, Electronics on EMI, Personal Loan, Two Wheeler, and Gold Loan. A prominent yellow banner advertises 'Powerplay Offers! Easy EMI Starting ₹999\*' with a 'BUY ON EMI' button. Below the banner, a specific offer for an 'iPhone 16 on EMIs from ₹3,120\* with EMI Network Card' is displayed, listing benefits like 'On Easy EMI', 'Up to 24 Months', and '₹0 down payment\*'. At the bottom of the app, there's a navigation bar with icons for Home, Account, More, Pay EMIs, and Menu. Surrounding the phone are several floating cards, each with an image and a label: 'Home Loan' (a woman on a sofa), 'Lifestyle Finance' (a modern interior), 'Two-wheeler Loan' (a motorcycle), 'Insurance' (a family under an umbrella), 'Investment' (a couple holding a plant), 'Gold Loan' (a couple at a desk), 'Tractor Finance' (a tractor), 'Health Insurance' (a doctor with a patient), 'Personal Loan' (a man in traditional attire), and 'Consumer Durable Loan' (a shopping cart with a sack labeled 'EMI').



**FINSERV**

# BAJAJ HOUSING FINANCE

Offering the full suite of mortgage lending products for every borrower

**HOME  
LOAN**

**LOAN  
AGAINST  
PROPERTY**

**DEVELOPER  
FINANCE**

**LEASE  
RENTAL  
DISCOUNTING**





# Management Discussion and Analysis

Bajaj Finserv Ltd. ('Bajaj Finserv', 'BFS' or 'the Company') is an unregistered core investment company (CIC) under Reserve Bank Regulations. It is the holding company for various financial services businesses under the Bajaj group. With a vision to be a diversified financial services group with a pan-India presence, it offers lifecycle financial solutions for its various customers. The mapping of financial lifecycle needs of the customers and offerings by BFS group along with the role BFS plays, beyond just a holding Company, has been detailed in the Chairman's letter forming part of this annual report.

As a core investment company (CIC) under the regulations of the RBI, Bajaj Finserv is required to invest at least 90% of its net assets in group companies, of which at least 60% should be in the form of equity investments. Investments outside the group can only be made in specified short-term securities like money market instruments. As Bajaj Finserv does not access public funds, it does not require registration with the Reserve Bank of India.

Bajaj Finserv has invested in renewable energy through 138 windmills in Maharashtra with an aggregate installed capacity of 65.2 MW. It generates more renewable energy than the energy BFS group consumes in aggregate annually. This helps BFS group fulfill its environmental obligations.

As required by regulation, the standalone and consolidated financial results of Bajaj Finserv are compliant with Indian Accounting Standards (Ind AS). The insurance companies are not covered under Ind AS. They prepare Ind AS financials only for the purpose of consolidation with Bajaj Finserv. Accordingly, the financials in the sections on Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC) in this chapter are as per Indian Generally Accepted Accounting Principles (Indian GAAP) and regulations laid down by the Insurance Regulatory and Development Authority of India (IRDAI).

Performance of subsidiary companies is detailed in subsequent pages.

Given below are highlights during the year.

## BFS: Highlights for FY2025

- BFS has signed Share Purchase Agreements (SPAs) to acquire 26% interest owned by Allianz SE in Bajaj Allianz General Insurance Company (BAGIC) and Bajaj Allianz Life Insurance Company (BALIC). This will increase the Bajaj group's ownership in BAGIC and BALIC to 100%.
- Bajaj Finance Ltd.'s (BFL) customer franchise surpassed a milestone of 100 million and consolidated assets under management (AUM) crossed ₹ 400,000 crore. BFL is now the largest NBFC in India in terms of AUM and PAT.
- Bajaj Housing Finance Ltd. (BHFL) successfully concluded its Initial Public Offer (IPO) of ₹ 6,560 crore.
- BAGIC continued to be the 3<sup>rd</sup> largest general insurer, measured by gross direct premium, ahead of three public sector insurers of significantly longer vintage.
- BALIC maintained 6<sup>th</sup> rank in individual rated new business premium among top 10 private players. BALIC's AUM crossed ₹ 120,000 crore.
- Bajaj Finserv Health entered hospitalisation claims management with the successful acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd.
- BFS AMC recorded AUM of ₹ 20,365 crore in its first full year of operation. It was the fastest in the industry to achieve this.

**BFS**

**₹ 133,822 crore**  
ALL TIME HIGH CONSOLIDATED REVENUE

**₹ 8,872 crore**  
ALL TIME HIGH CONSOLIDATED PROFIT

## Macroeconomic Overview

According to the latest update of the IMF's World Economic Outlook (April 2025), global growth is projected at 2.8% in CY2025 and 3.0% in CY2026. This marks a sharp downward revision primarily driven by rapid escalation of trade tensions and persistently high levels of policy uncertainty, both of which are expected to significantly dampen global economic activity. Meanwhile, the global headline inflation is expected to ease to 4.3% in CY2025 and then to 3.6% in CY2026.

In a scenario where global growth was forecasted at 2.8% for CY2025, the IMF estimated India's real GDP growth in 2024-25 (FY2025) at 6.5% – which was significantly higher than all major countries including China. This was the case in the previous year; and the IMF expects it to remain the same in the next couple of years as well.

According to the Second Advance Estimates released by the National Statistical Office (NSO) on 28 February 2025, real GDP for FY2025 has been pegged at 6.5%; analogously, the growth of real gross value added (GVA) has been estimated at 6.4%. Though these growth rates are lower than those of the previous financial year – GDP growth at 6.5% versus 9.2% in FY2024, and GVA growth at 6.4% versus 8.6% in FY2024 – these are still creditable rates of growth.

The quarterly growth rates have also been commendable. Regarding real GDP, the first quarter (April-June 2024) saw a growth of 6.5% versus the same quarter of the previous year; Q2 (July-September) witnessed a sharp dip in growth to 5.6%; and then in Q3 (October-December), growth again recovered to 6.2%. The quarterly GVA growth rates were quite similar: 6.5% in Q1, followed by 5.8% in Q2 and then 6.2% in Q3.

In terms of real GVA across the three broad sectors:

- The primary sector (agriculture, livestock, forestry and fishing and mining and quarrying) has grown by 4.4% over the first three quarters of FY2025.
- The secondary sector (manufacturing, electricity, gas, water supply and other utility services and construction) has grown by 5.8%.
- The tertiary sector (trade, hotels, transport, communication and services related to broadcasting, financial, real estate and professional services and public administration, defence and other services) has grown by 7.3%.

The major drivers of growth have been the tertiary sector and construction, though these have grown at marginally lower levels compared to the previous year. The disappointment has been manufacturing, which has grown at 4.3% in the first three quarters of FY2025 versus 12.3% in the corresponding previous year.

Good news has been the continued moderation of price inflation. Starting from April 2024 for every month right up to February 2025, inflation based upon the Wholesale Price Index (WPI) has remained well under 4%. Indeed, for 10 of these 11 months, it has been at under 3%. Over the same period, inflation of the Consumer Price Index for Industrial Workers (CPI-IW) stayed between 2% and 4%, except for two months (September and October 2024) when it marginally exceeded 4%. Similarly, inflation based on the Consumer Price Index for Agricultural Labourers (CPI-AL) began with a high of just above 7% in April 2024 but then steadily fell over the period to a tad over 4% in February 2025. Thus, it would seem that inflation is under control.

Therefore, India has enjoyed creditable GDP and GVA growth without inflation raising its ugly head.

With respect to the current account deficit (CAD), India's CAD for Q3 of FY2025 (October-December 2024) stood at \$11.5 billion, or 1.1% of GDP. Though this was slightly higher than the \$10.4 billion (1.1% of GDP) deficit in the same period the previous year, it has moderated from the \$16.7 billion (1.8% of GDP) deficit in Q2 of FY2025. For an economy growing at no less than 6.5% real and with no near-term inflation risks, this is not a CAD that one should worry about.

The RBI has estimated real GDP growth for FY2025 at 6.5%. It has projected growth at the same percentage rate for FY2026; and has forecast CPI inflation at 4%. With no imminent fear of inflation, the RBI's Monetary Policy Committee, in its first meeting of FY2026, unanimously decided to reduce the policy repo rate by 25 basis points, bringing it down to 6 per cent with immediate effect.



Therefore, as it stands, the Indian economy seems to be in a good place. At 6.5%, it continues to clock the highest real GDP growth rate among all major countries in the world, including China. Both wholesale and consumer price inflation are under control. The CAD is reasonable given the size and growth of the economy. And the central bank has been confident enough to reduce the repo rate and inject further liquidity into the system. A key concern remains the recent escalation of US tariffs and policymakers will have to watch this very carefully in the coming months. Even so, it is probably fair to say that India can expect another excellent year of growth and income generation.

## Overview of Consumer Finance and Lending

### Structure and developments

Lending and borrowing money are critical to a country's financial health. Banks traditionally played the role of prime lenders in India, disbursing loans for both commercial and personal purposes. However, extensive due diligence and long processes resulted in individuals turning to the unorganised sector or traditional moneylenders who charged exorbitant interest rates. In recent years, however, the lending market in India has developed into a dynamic playfield of various non-banking financial companies (NBFC), fintech enterprises and digital lending platforms.

India's NBFCs continue to be instrumental in driving credit growth for the country's underserved segments. In the last few years, the contribution of NBFCs to India's gross domestic product (GDP) was well above 10% and these entities now account for more than 25% of credit, thus NBFCs role in driving consumption, investment, and financial inclusion make them a vital component of the country's economic engine.

NBFCs are critical to India's financial ecosystem, particularly in underserved segment such as rural and semi-urban areas where banks have limited reach. Their importance lies in:

- Financial inclusion: By providing credit to underserved regions.
- Faster services: With simplified processes and doorstep delivery.
- Priority sector lending: Addressing credit needs in agriculture, microfinance, and other unorganised sectors.
- Economic growth: Supporting sectors like housing, infrastructure and small enterprises through financing.

### Outlook

NBFCs remain a cornerstone of India's financial system, particularly to promote financial inclusion and economic growth. They can address the credit needs of underserved segments, leverage new sources of funds and embrace technological advancements. By integrating these strategies, NBFCs play a pivotal role in driving universal and sustainable economic growth, and ensure that the benefits of financial inclusion and technological innovation are widely shared across the nation.

**Chart A: India's rapid digitisation journey**

India is digitising rapidly



Rising income



India stack powered the financial inclusion



1.4 billion Aadhaar generated



18.3 billion monthly transactions - March 2025



Investment in technology to reach USD 500 billion by 2030



Fintech market to reach USD 422 billion by 2029-CAGR of 27% during 2022-30



ONDC facilitated more than 200 million transactions till date



77 crore+ ABHA ID's

53 crore+ Health Linked Records

391K+ Verified HFR



Fintech \$1 trillion in AUM & \$200 billion in revenue by 2030



Insurance & insurtech \$88 billion in size by 2030

### Ayushman Bharat Digital Mission

Source: NPCI | ABDM | Straits Research | Inc42.com | Deloitte | Goldman Sachs | BCG | UIDAI

The India digitisation story as depicted in Chart A, highlights the growing opportunity for the financial services businesses in India.

### Risks and concerns

- Higher risk weights: Increased risk weights for loans from banks to NBFCs, making bank borrowing more expensive. However, effective 1 April 2025, the RBI has rolled back the higher risk weights previously assigned, and restored these to the pre-November 2023 levels.
- Funding constraints: Smaller NBFCs with lower credit ratings face a fund crunch due to rising borrowing costs and limited financing / refinancing options.
- Shallow bond market: India's debt market lacks depth and liquidity, limiting access to diversified domestic funding.
- Cost pressures: Rising credit costs may affect NBFCs' profitability.
- Overseas borrowing challenges: While attractive due to reduced hedging costs, overseas funding is still at a nascent stage for many NBFCs.

## Overview of the Insurance Sector

### Structure and developments

The Indian insurance market is the tenth largest in the world. There are 60 insurers registered with the Insurance and Regulatory Development Authority of India (IRDAI), comprising 26 life- and 34 non-life insurers. The industry continues to be underpenetrated compared to most developed and developing economies, with a penetration less than 4% (ratio of total insurance premiums to the country's nominal GDP).

For the insurance sector, FY2025 saw significant regulatory changes. On the one hand, these changes were aimed at bringing more transparency, efficiency, enhancing governance standards, streamlining regulations and prioritising policyholder interests. On the other, these contributed to muted premium growth for both life and non-life insurers especially during the second half of the year when most of these changes came in play.

During the year, existing regulations were consolidated into few ones, minimising the need for regulatory approvals and enhancing operational efficiency. The Board's involvement in regulatory matters has been heightened. Governance mechanisms have been fortified to uphold transparency and accountability. Crucial steps have been taken to safeguard policyholder interests by revising turnaround times with respect to various policy services, to simplify claim processes and to ensure timely claim settlements. These have been major steps in transforming the regulatory framework from a 'rule-based' to a 'principle-based' approach.

Despite operational challenges, there is now an enhanced focus on expanding insurance coverage to underserved areas by tagging rural obligations to the gram panchayat level; and the motor third party obligations require insurers to cover uninsured vehicles, so as to increase the number of insured vehicles. These reforms are expected to foster a more competitive and innovative insurance market, ultimately benefiting consumers through improved service delivery, enhanced product offerings and greater accessibility.

These were followed by proposed amendments to existing insurance laws to support 100% foreign direct investment (FDI), composite insurance and to insurers offering value added services, to name a few. The IRDAI has continued in its path of positive regulatory developments with an aim to attain its vision of 'Insurance for All' by 2047.

The second half of the year was more eventful with two regulations negatively impacting growth in short term. Life insurers were hit by the new surrender value regulations which assured higher surrender values to the customers which negatively impacted margins for insurers. This required the life insurers to modify their product structures as well as commercial terms with all distributors. Non-life insurers were hit by the change in accounting for long-term products, which required amortisation of long-term premium over the policy duration. Both these regulations impacted growth in H2 FY2025.

The industry continued its work on setting up the electronic insurance marketplace (Bima Sugam), a comprehensive life, general and health insurance product for the lower income segments (Bima Vistar) and a new form of intermediary for the rural market (Bima Vaahak).

On the investment front, FY2025 started on a positive note, as the Indian stock market indices scaled new lifetime highs. Stability in interest rates coupled with relatively moderate inflation led to excellent returns on



equity and debt investments in H1 FY2025. However, these gains were short-lived. H2 FY2025 saw large selloff on account of stretched valuations, weak earnings, heavy foreign capital outflow amid rising US bond yields and the dollar, as well as global uncertainty arising from geopolitical tensions and escalation of US tariffs.

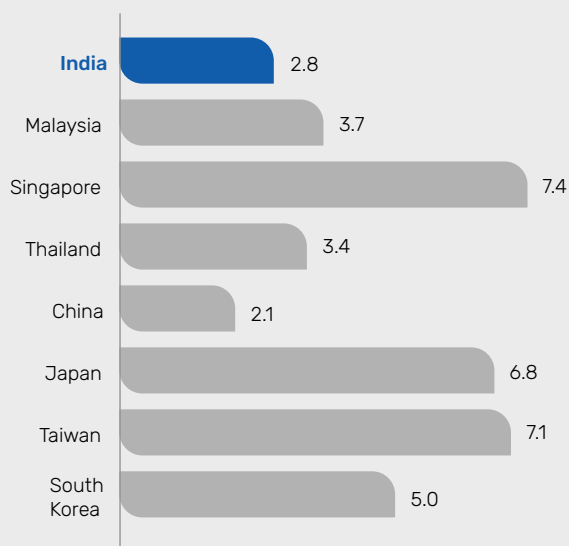
The general insurance sector was also impacted due to lower sale of new vehicles, limited volume growth in retail health policies and fall in premium rates in the fire business. Increasing incidence of losses from natural catastrophes ensured that claims for the general insurance sector remained elevated.

## Outlook

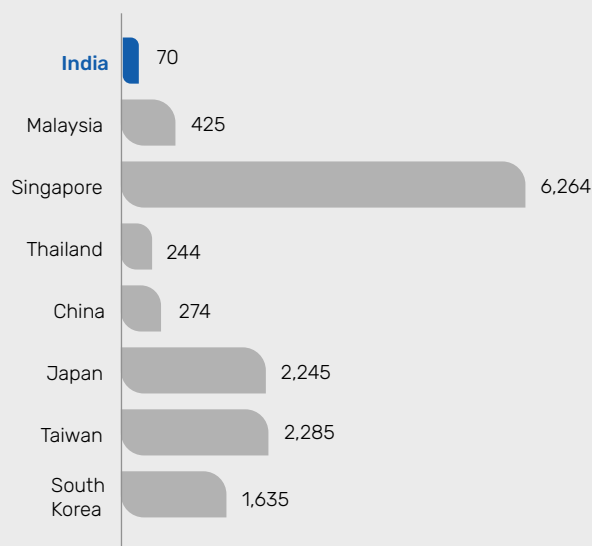
The Indian economy continues to witness strong fundamentals across sectors and will remain the fastest growing in the world. Such an economy backed by a favourable regulatory environment should drive insurance market growth in India. The insurance sector in India is hence expected to be among the fastest growing versus other economies. Lower insurance penetration and density (as depicted in Chart B), rising income levels, larger proportion of earning population, manufacturing growth and rapid infra development provide considerable scope for insurance and reinsurance in India in the immediate and near future.

**Chart B: Insurance penetration and density\***

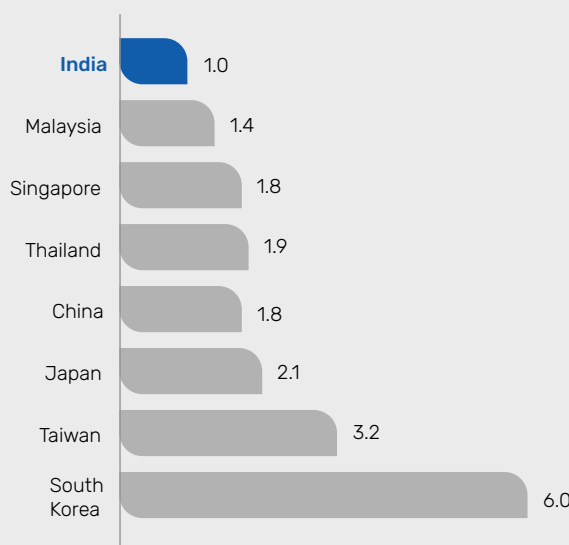
### Life insurance penetration as a % of GDP



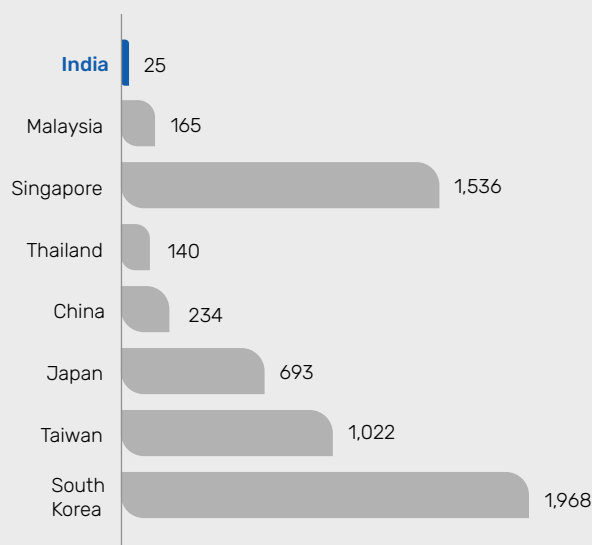
### Life insurance density (US\$)



### Non-life insurance penetration as a % of GDP



### Non-life insurance density (US\$)



\* Insurance penetration: total insurance premium/ gross domestic product (GDP)  
Insurance density: average amount of insurance premium paid per person

## Risks and concerns

Key risks for the sector include (a) growing number and impact of natural calamities due to global warming; (b) data and cyber security risk arising from high level of digitisation in the industry; (c) market risk arising from growing geopolitical tensions and trade wars; (d) technology disruptions; and (e) enhanced competition through new entrants with the sector opening up (with proposals for 100% FDI and lower capital requirements).

## Consumer Finance and Lending

### Bajaj Finance Ltd. (BFL)

BFL is one of India's largest non-banking financial companies (NBFCs). It is a customer-centric, digital-first enterprise with omnipresence across physical, mobile and web channels led by various payment platforms that combine different payment instruments. Focusing on India's mass affluent customers and above in both urban and rural, it uses a strategy of cross-selling with the smart use of state-of-the-art data, innovations and analytics to transform customer experience and create growth opportunities. It offers diversified financial services and optimises the mix of risk so as to regularly generate significant and sustainable profits.

#### BFL: Consolidated Performance Highlights for FY2025

- Customer franchise grew by 22% to 101.82 million.
- Number of new loans booked increased by 20% to 43.42 million.
- Number of customers on Bajaj Finserv App was 70.57 million.
- Assets under management (AUM) increased by 26% to ₹ 416,661 crore.
- Net total income (NTI) increased by 24% to ₹ 44,954 crore.
- Pre-provisioning operating profit grew by 25% to ₹ 30,028 crore.
- Profit after tax (PAT) grew by 15% to ₹ 16,638 crore.
- Return on average assets (RoA) of 4.6% and return on average equity of 19.2%.
- Capital adequacy ratio as on 31 March 2025 was 21.93%, Tier-I adequacy was 21.09% including a common equity tier 1 (CET1) ratio of 20.77% which are well above the RBI norms – making it one of the best capitalised large NBFCs in India.

**BFL**
**101.82 million**  
**CUSTOMER FRANCHISE**
**(↑ 22% YoY)**
**₹ 416,661 crore**  
**AUM**
**(↑ 26% YoY)**

### Business update

BFL is present in 4,263 locations across India, including 2,681 in rural/smaller towns and villages. Geographical expansion, large customer franchise and rapid adoption of digital technology continue to be critical pillars of Bajaj Finance's growth. It focuses on 10 broad categories. These are: (i) consumer lending (sales finance); (ii) personal loans; (iii) SME lending; (iv) auto financing; (v) rural lending; (vi) gold loans; (vii) commercial lending; (viii) loan against securities; (ix) deposits; and (x) partnerships and services.

In FY2025:

- BFL operated through over 232,000 distribution points across India.
- It acquired a record 18.18 million new customers, taking its existing customer franchise to 101.82 million as on 31 March 2025, or a growth of 22% over 31 March 2024.



Table 1 gives a snapshot of BFL's AUM across its different businesses. Chart C depicts BFL's consolidated AUM over the years.

**Table 1: BFL's assets under management**

(₹ In Crore)

Particulars	Standalone			Consolidated		
	FY2025	FY2024	Change	FY2025	FY2024	Change
Two and three-wheeler finance	17,319	19,742	(12%)	17,319	19,742	(12%)
Urban sales finance	29,109	23,448	24%	29,109	23,448	24%
Urban B2C	86,096	64,471	34%	87,696	66,093	33%
Rural sales finance (excluding gold loan)	7,944	6,209	28%	7,944	6,209	28%
Rural B2C	21,467	17,607	22%	21,467	17,607	22%
SME lending (excluding car loan)	50,230	38,498	30%	50,345	38,470	31%
Loans against securities	20,872	18,221	15%	25,377	22,038	15%
Commercial lending	28,285	22,006	29%	27,760	22,006	26%
Mortgages	27,327	22,938	19%	129,461	103,316	25%
Gold loans	8,307	4,599	81%	8,307	4,599	81%
Car loans	11,876	7,087	68%	11,876	7,087	68%
<b>Total</b>	<b>308,832</b>	<b>244,826</b>	<b>26%</b>	<b>416,661</b>	<b>330,615</b>	<b>26%</b>

**Chart C: BFL's Consolidated assets under management (₹ In Crore)**

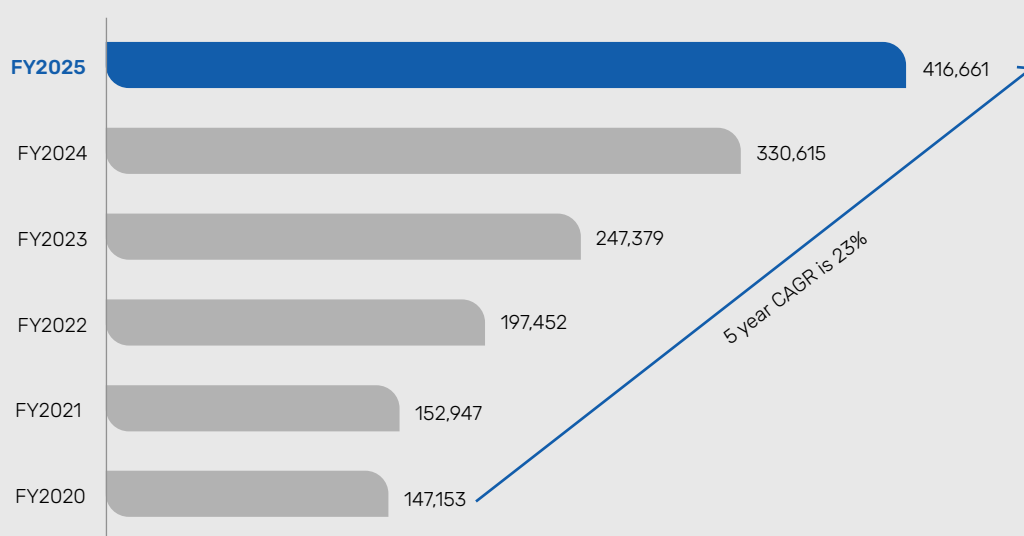


Table 2 gives BFL's standalone and consolidated financial performance; and Table 3 highlights the key ratios.

**Table 2: BFL's financial performance**

(₹ In Crore)

Particulars	Standalone			Consolidated		
	FY2025	FY2024	Change	FY2025	FY2024	Change
Interest income	51,549	40,783	26%	61,164	48,307	27%
Interest expenses	18,437	13,843	33%	24,771	18,725	32%
<b>Net interest income (NII)</b>	<b>33,112</b>	<b>26,940</b>	<b>23%</b>	<b>36,393</b>	<b>29,582</b>	<b>23%</b>
Other operating income	7,871	6,163	28%	8,561	6,676	28%
<b>Net total income (NTI)</b>	<b>40,983</b>	<b>33,103</b>	<b>24%</b>	<b>44,954</b>	<b>36,258</b>	<b>24%</b>
Operating expenses	13,968	11,478	22%	14,926	12,325	21%
<b>Pre-provisioning operating profit</b>	<b>27,015</b>	<b>21,625</b>	<b>25%</b>	<b>30,028</b>	<b>23,933</b>	<b>25%</b>
Loan losses and provisions	7,883	4,572	72%	7,966	4,631	72%
Share of profit from associates	-	-	-	18	8	125%
Exceptional items <sup>#</sup>	2,544	-	-	-	-	-
<b>Profit before tax (PBT)</b>	<b>21,676</b>	<b>17,053</b>	<b>27%</b>	<b>22,080</b>	<b>19,310</b>	<b>14%</b>
Profit after tax (PAT)	16,662	12,644	32%	16,779	14,451	16%
<b>Profit after tax (PAT) attributable to Owners of the Company</b>	<b>16,662</b>	<b>12,644</b>	<b>32%</b>	<b>16,638</b>	<b>14,451</b>	<b>15%</b>
Earnings per share (EPS) basic, in ₹	269.33	207.27	30%	268.94	236.89	14%
Earnings per share (EPS) diluted, in ₹	268.58	206.47	30%	268.20	235.98	14%
Book value per share, in ₹	1,420.93	1,168.31	22%	1,560.89	1,243.99	25%

<sup>#</sup> On 13 September 2024, the Company has sold 428,571,428 equity shares of BHFL at ₹ 70 each, aggregating to ₹ 3,000 crore, as part of BHFL's Initial Public Offer. This has resulted in a gain of ₹ 2,544 crore (net of issue expenses).

**Table 3: BFL's key ratios on consolidated basis**

Ratios	FY2025	FY2024
Net interest income (NII) to average loans receivable	9.91%	10.41%
Total operating expenses to NTI	33.20%	33.99%
Return on average loans receivable (ROA)	4.57%	5.08%
Return on average equity (ROE)	19.19%	22.05%
Capital to risk-weighted assets ratio (CRAR) *	21.93%	22.52%
Tier I *	21.09%	21.51%
Tier II *	0.84%	1.01%
Gross NPA	0.96%	0.85%
Net NPA	0.44%	0.37%
Provisioning coverage ratio (PCR)	54%	57%

\* These ratios are on standalone basis.



## Bajaj Housing Finance Ltd. (BHFL)

Ranked among the largest housing finance companies in India, Bajaj Housing Finance Ltd. (BHFL), a listed subsidiary of BFL, is registered as a non-deposit taking housing finance company with the National Housing Bank (NHB) since September 2015 to carry the business of housing finance. BHFL started its lending operations from July 2017. BHFL is regulated by the RBI and supervised by the NHB.

BHFL crossed two significant milestones during FY2025:

- In its eighth year of operations, it comfortably surpassed the AUM milestone of ₹ 100,000 crore.
- It got listed on the equity segment of the National Stock Exchange and the Stock Exchange, Mumbai (BSE) with its IPO in September 2024 – of ₹ 6,560 crore, of which the primary issue was ₹ 3,560 crore.

The Company offers full mortgage product suite spanning: (i) home loans; (ii) loans against property; (iii) lease rental discounting; (iv) developer financing; and (v) others, covering non-collateralised loans. Through this varied product suite, BHFL addresses the diverse mortgage needs of all retail customer segments, which include salaried individuals and self-employed professionals. It serves all sub-segments, including prime, near-prime, and affordable customers; and offers various transaction types such as purchase, resale, self-construction and balance transfer.

Through its commercial product suite, which includes construction finance and lease rental discounting, BHFL caters to a wide range of marquee clients, including real estate developers, high net worth individuals (HNIs), real estate investment trusts (REITs), sovereign wealth funds and corporations.

BHFL holds the highest credit rating of AAA/stable from both CRISIL and India Ratings for its long-term debt programme; and A1+ from CRISIL and India Ratings for its short-term debt programme. These ratings are supported by strong parent backing and reflect the Company's stable financial position and repayment capability.

A snapshot of BHFL's performance in FY2025 is given below.

### BHFL: Performance Highlights for FY2025

- Assets under management (AUM): increased by 26% to ₹ 114,684 crore.
- Net total income (NTI): rose by 23% to ₹ 3,597 crore.
- Operating expenses (Opex): increased by 6% to ₹ 747 crore.
- The ratio of Opex to NTI improved to 20.8% for FY2025 from 24.0% in FY2024.
- Pre-provisioning operating profit grew by 28% to ₹ 2,850 crore.
- Profit after tax (PAT) rose by 25% to ₹ 2,163 crore.
- Capital adequacy ratio stood at 28.24% as of 31 March 2025. The Tier-1 ratio was 27.72%; both well above regulatory norms.

**BHFL**

**₹ 114,684 crore**

**AUM**

(↑ 26% YoY)

**₹ 2,163 crore**

**PAT**

(↑ 25% YoY)

Table 4 gives BHFL's assets under management (AUM) and Table 5 gives its standalone financial performance.

**Table 4: BHFL's AUM across major business verticals**

(₹ In Crore)			
Particulars	FY2025	FY2024	Change
Housing loans (including top ups)	64,447	52,819	22%
Loan against property	12,262	9,568	28%
Lease rental discounting	21,913	17,637	24%
Developer finance	14,346	9,599	49%
Other loans	1,716	1,747	(2%)
<b>Total</b>	<b>114,684</b>	<b>91,370</b>	<b>26%</b>

**Table 5: BHFL's standalone financials**

(₹ In Crore)			
Particulars	FY2025	FY2024	Change
Interest income	8,986	7,202	25%
Interest expenses	5,979	4,692	27%
<b>Net interest income (NII)</b>	<b>3,007</b>	<b>2,510</b>	<b>20%</b>
Other operating income	590	415	42%
<b>Net total income (NTI)</b>	<b>3,597</b>	<b>2,925</b>	<b>23%</b>
Operating expenses	747	703	6%
<b>Pre-provisioning operating profit</b>	<b>2,850</b>	<b>2,222</b>	<b>28%</b>
Loan losses and provisions	80	61	31%
<b>Profit before tax (PBT)</b>	<b>2,770</b>	<b>2,161</b>	<b>28%</b>
<b>Profit after tax (PAT)</b>	<b>2,163</b>	<b>1,731</b>	<b>25%</b>
Earnings per share (EPS) basic, in ₹	2.67	2.58	3%

### Bajaj Financial Securities Ltd. or Bajaj Broking

Bajaj Financial Securities Ltd. ('BFSL', 'BFinsec', 'Bajaj Broking') functions as a wholly-owned subsidiary of BFL. It is registered with the SEBI, both as a stockbroker and as a depository participant.

In FY2025, Bajaj Broking significantly broadened its reach to 46 locations and 48 branches, providing a comprehensive suite of services to over 979,000 clients in retail and HNI, encompassing DP services, Broking, Margin Trading Facility, and Financing for Offers For Sale.

The performance highlights of Bajaj Broking for FY2025 are given below:

- Margin Trade Financing (MTF) book increased by 18% to ₹ 4,505 crore.
- Net interest income (NII) increased by 122% to ₹ 249 crore.
- Net total income (NTI) increased by 58% to ₹ 441 crore.
- Profit after tax (PAT) increased by 148% to ₹ 139 crore.

## Bajaj Broking

**Over 979,000**  
CUSTOMER FRANCHISE

(↑ 40% YoY)

**₹ 139 crore**  
PAT

(↑ 148% YoY)



## Associate Companies of Bajaj Finance Ltd.

There are two associate companies of BFL. These are:

- Snapwork Technologies Pvt. Ltd. which specialises in delivering innovative digital solutions, and where BFL holds a stake of 41.50% on a fully diluted basis; and
- Pennant Technologies Pvt. Ltd. which provides end-to-end lending solutions through its pennApps Lending Factory (PLF) – a comprehensive, highly configurable and scalable lending platform that streamlines the entire loan lifecycle. Here BFL holds a stake of 26.53% on a fully diluted basis.

## Protection and Savings

### Status of Joint Venture with Allianz SE

BFS has executed Share Purchase Agreements (SPAs) for the acquisition of 26% equity stake owned by Allianz in its insurance subsidiaries, viz. Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC), with participation by the promoter and promoter group entities of BFS. The agreed consideration for 26% stake in BAGIC and BALIC is ₹ 13,780 crore and ₹ 10,400 crore, respectively, aggregating ₹ 24,180 crore.

The acquisition will be in one or more tranches, of which the first tranche shall be at least 6.1% stake. Upon completion of the first tranche, the joint venture agreements between the Company and Allianz SE will be terminated.

Pursuant to the above, BFS would be acquiring from Allianz, subject to approvals of the Competition Commission of India, Insurance Regulatory Development Authority of India and other customary approvals, 1.01% equity stake in each of the companies as a part of the first tranche of acquisition.

BFS has also executed Share Purchase Agreement (SPA) for the acquisition, subject to required regulatory approvals, of 50% equity stake owned by Allianz in Bajaj Allianz Financial Distributors Ltd. (BAFDL).

Once the joint ventures are terminated under the terms of the SPA, the Bajaj group and Allianz aim to independently pursue their insurance strategies in India.

The acquisitions mark a significant milestone. These bring the two insurance ventures entirely into the fold of the Bajaj group, one of India's most respected brands. Allianz and Bajaj are fully committed in ensuring a smooth transition such that interests of policyholders, intermediaries and other stakeholders are least affected. BFS and Allianz have also entered into agreements that will ensure continuity of reinsurance and other services during the transition.

**BAJAJ GROUP TO ACQUIRE ALLIANZ'S  
26% STAKE in BAGIC and BALIC  
AS PER THE SPAs**

**₹ 24,180 crore**  
**AGREED CONSIDERATION**

### General Insurance: Bajaj Allianz General Insurance Company Ltd. (BAGIC)

BAGIC is one of India's leading composite general insurers offering all types of general insurance products including motor, health as well as various forms of commercial lines of insurance such as fire, engineering, liabilities and marine. It also participates in the tender driven government health and crop insurance schemes run across various states. It has built a strong retail franchise and retained a leading position among insurers. Its business is based on the foundation of a quality product portfolio, supported by strong underwriting, multi-channel distribution and prudent financial management. In a market where many peers continue to chase market share, BAGIC has, since its inception, differentiated itself by focusing on a profitable and diversified portfolio, and by balancing growth with profitability. With a positioning of 'Caringly Yours', it remains one of the most respected brands in general insurance known for its customer service.

## Industry update

The IRDAI has introduced a change in the accounting of premium for long-term products (i.e. where policy duration is of more than 12 months) through the Master Circular on 'Actuarial, Finance & Investment functions of Insurers' effective 1 October 2024. Accordingly, premium on all long-term policies is to be recognised over the contract duration (on 1/n basis where 'n' is the policy duration), which implies that only first year premium will be recognised as gross written premium (GWP) in the year of receipt and the balance collection will be reflected as Advance Premium to be accounted as GWP in the subsequent years. This defers premium recognition and negatively impacts the Combined Ratios (COR) for the year. Given these changes, the figures for FY2025 are not comparable with prior years. It should be noted that the change is purely an accounting one; the economics of insurance contracts remain unaffected.

The general insurance industry (private and public multi-line players) recorded gross direct premium income (GDPI) growth of 5.2% on 1/n basis (old basis 7.0%) in FY2025. The data for the industry and BAGIC are shown in Table 6.

**Table 6: Gross direct premium in India – the general insurance industry\***

It may be noted that given the change in accounting for long-term products effective 1 October 2024, numbers may not be comparable with previous periods.

(₹ In Crore)

Particulars	Gross direct premium		Gross direct premium excluding tender driven government schemes	
	FY2025	FY2024	FY2025	FY2024
BAGIC	21,417	20,473	16,090	14,910
Private sector	162,899	155,090	141,744	133,387
Public sector	95,221	90,252	86,706	80,622
Industry	258,120	245,343	228,450	214,010
Standalone health insurers (SAHI)	38,436	33,119	38,436	33,119
Industry including SAHI	296,555	278,462	266,886	247,129
<b>Growth rates</b>				
BAGIC	4.6%	33.5%	7.9%	20.4%
Private sector	5.0%	17.5%	6.3%	16.4%
Public sector	5.5%	9.0%	7.5%	8.5%
Industry	5.2%	14.2%	6.7%	13.3%
Standalone health insurers (SAHI)	16.1%	26.2%	16.1%	26.2%
Industry including SAHI	6.5%	15.5%	8.0%	14.9%

Source: GI Council figures, IRDA website and IRDA, Handbook of Insurance Statistics.

\* Excluding specialised insurers.

## Business update

- BAGIC posted a gross direct premium income (GDPI) growth rate of 4.6% in FY2025, versus industry growth of 5.2%. The impact of the new regulation is higher for BAGIC than the industry due to a higher proportion of long-term business. Excluding the impact of change in regulation on long-term insurance contracts, growth for BAGIC is 7.3% versus industry growth of 7.0%.
- During the year, BAGIC wrote premium of ₹ 2,067 crore (PY ₹ 2,795 crore) under the government crop insurance schemes and ₹ 3,260 crore (PY ₹ 2,767 crore) crore under the Ayushman Bharat Government Health Scheme, thus continuing its endeavour of financial inclusion.
- Excluding the volatile tender-driven crop insurance and government health business, BAGIC posted a GDPI growth rate of 7.9%. Excluding the impact of the change in regulation on long-term insurance contracts, BAGIC's GDPI grew by 11.6% versus industry growth at 8.8%.
- BAGIC continues to be among the most profitable general insurers in India. Its COR of 102.3% in FY2025 (COR on old accounting basis for long-term contracts would be 101.7%) is expected to be among the best in the industry, reflecting a sound balance between growth and profitability. BAGIC has achieved this by:
  - (a) robust and prudent underwriting practices driven by strong analytics based on past claims experience;
  - (b) diversified exposure across business lines and geographies;
  - (c) granular loss ratio modelling - geography, distribution, car make/model, vintage, etc.;
  - (d) robust investigation and loss management;
  - (e) generation of cash flows through strong retention of premium and judicious investments of the proceeds; and
  - (f) focus on high quality customer service.
- BAGIC has a diversified and among the largest multi-channel distribution network consisting of banks, NBFCs, individual agents, motor insurance service providers, point of sales persons, web-sales and its proprietary direct to customers' channel. It continued to expand the network of bancassurance partners including private banks, public sector banks, regional banks, small finance banks and cooperative banks. Indeed, BAGIC has one of the largest networks of bancassurance partners in general insurance.
- BAGIC has also embarked upon journey to expand its presence in tier 3 and below cities via its Geo channel to take the general and health insurance business to semi-urban and rural parts of the country. It opened nine new offices during FY2025 and continues to open new offices across the country.
- BAGIC continues to balance its product mix across retail and commercial lines depending on profit pools that it identifies from time to time.
- BAGIC continued to invest in technology and push towards enhanced digital services with capabilities like AI enabled BOT (called BOING), which serviced more than 2.12 million unique customers with over 176 million conversations. Its customer facing mobile app, Caringly Yours, crossed 5.37 million downloads. Its innovative mobile app for the farming community, *Farmitra*, saw more than 1.62 million downloads. BAGIC has also undertaken investments in Gen AI solutions.
- BAGIC's core policy administration system is being transformed to enhance agility. During the year, entire health (including group), crop insurance, surety bonds, motor third party insurance products went live in the system.



**BAGIC: Performance Highlights for FY2025**

- Gross written premium (GWP) stood at ₹ 21,583 crore in FY2025, or a growth of 5%. Excluding tender driven business of crop and government health insurance, BAGIC's growth was 8%. Excluding impact of new regulation on long-term insurance contracts, GWP growth was at 7% (excluding crop and government health at 12%). Impact of the regulation on GWP was ₹ 551 crore during FY2025.
- BAGIC's market share in the industry on GDPI basis, including standalone insurers, stood at 7.2% in FY2025.
- Net earned premium was ₹ 9,565 crore.
- The combined ratio was 102.3%. (Combined ratio on old accounting basis was 101.7%).
- Profit after tax for FY2025 was ₹ 1,832 crore with a growth of 18%.
- AUM was ₹ 33,115 crore.
- Highest solvency ratio among comparable industry players at 325%.
- 48 million policies were issued in the year, versus some 38 million in FY2024.
- 6.47 million claims were reported in the year, versus 5.97 million in FY2024.
- BAGIC's grievance ratio continue to be among the lowest in the industry and its NPS scores continue to outperform the market, reflecting strong customer trust.

**BAGIC****48 million**  
POLICIES ISSUED**₹ 1,832 crore**  
PAT

(↑ 18% YoY)

**Financial performance**

BAGIC's financial performance for FY2025 is summarised in Table 7. Chart D plots BAGIC's PAT over the last five years.

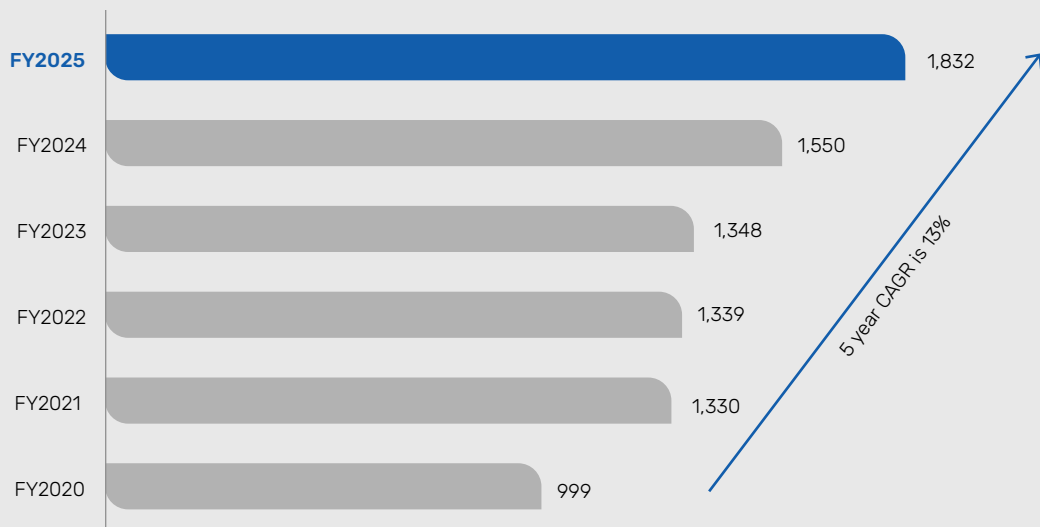
**Table 7: BAGIC's financial performance**

Particulars	FY2025	FY2024	(₹ In Crore) % Change
<b>Gross written premium (GWP)</b>	<b>21,583</b>	<b>20,630</b>	<b>5%</b>
GWP excluding crop and government health	16,256	15,068	8%
<b>GWP excluding crop, government health &amp; 1/n impact of long-term products</b>	<b>16,807</b>	<b>15,068</b>	<b>12%</b>
Net earned premium	9,565	8,884	8%
Underwriting result	(77)	(166)	
Profit before tax	2,445	2,055	19%
<b>Profit after tax</b>	<b>1,832</b>	<b>1,550</b>	<b>18%</b>
Claims ratio	74.6%	73.8%	
<b>Combined ratio*</b>	<b>102.3%</b>	<b>99.9%</b>	
<b>Combined ratio (excluding impact of new regulations)*</b>	<b>101.7%</b>	<b>99.9%</b>	
Return on average equity ^	16.0%	15.2%	

\* Combined ratio is calculated according to the Master Circular on 'Preparation of Financial Statements of General Insurance Business' issued by the IRDAI effective from 1 April 2013.

^ Excluding the surplus capital (at 200% solvency) the return on average Equity was 22.4%

**Chart D: BAGIC's profit after tax (₹ In Crore)**



### Cash and investments

- BAGIC's cash and investments as on 31 March 2025 were ₹ 33,115 crore, versus ₹ 31,196 crore in the previous year. Cash flow generation continued to be strong.

### Capital and solvency

- Paid-up capital, including share premium, stood at ₹ 277 crore as at 31 March 2025. No fresh capital was infused in the year.
- BAGIC continues to be one of the most efficient users of capital in the private sector – as measured by the ratio of GWP to share capital and by GWP to shareholders' equity.
- Shareholders' equity of BAGIC was ₹ 12,498 crore as on 31 March 2025, versus ₹ 11,474 crore a year earlier.
- As on 31 March 2025, BAGIC's solvency margin was at 325%, which is well above the normal regulatory requirement of 150%.

### Life Insurance, Savings and Retirement: Bajaj Allianz Life Insurance Company Ltd. (BALIC)

With a brand positioning of getting Life Goals Done, BALIC is committed to offer value-packed and innovative products which are simple to understand and easy to buy. These are designed to meet long-term life goals of individual and group customers, ranging from protection, wealth creation to retirement solutions and more; and are backed by a well-diversified and strong multi-channel distribution network, data analytics, tech-enabled services and service touchpoints to ensure a simplified and personalised insurance experience with a 'Customer First' approach.

Over the last seven to eight years, BALIC has achieved significant growth and market share. As part of its journey towards profitable and sustainable growth, BALIC initiated a change in strategy which coincided with the new product regulations issued by the IRDAI, and resulted in lower growths in H2 FY2025. This new strategy aims to leverage the scale already achieved for further expansion of its margins.

### Industry update

The life insurance industry recorded a growth of 10.5% in individual rated new business (IRNB) premium in FY2025 over FY2024 after changes introduced in the surrender value regulations which came into effect from 1 October 2024. Within the industry, private sector grew by 15.1%, while LIC grew by 0.7%. BALIC recorded growth in IRNB of 11.7% for FY2025. Par, retail term and ULIP product basket were the key growth drivers. Table 8 gives the data.

**Table 8: New business premium in India – the life insurance industry**

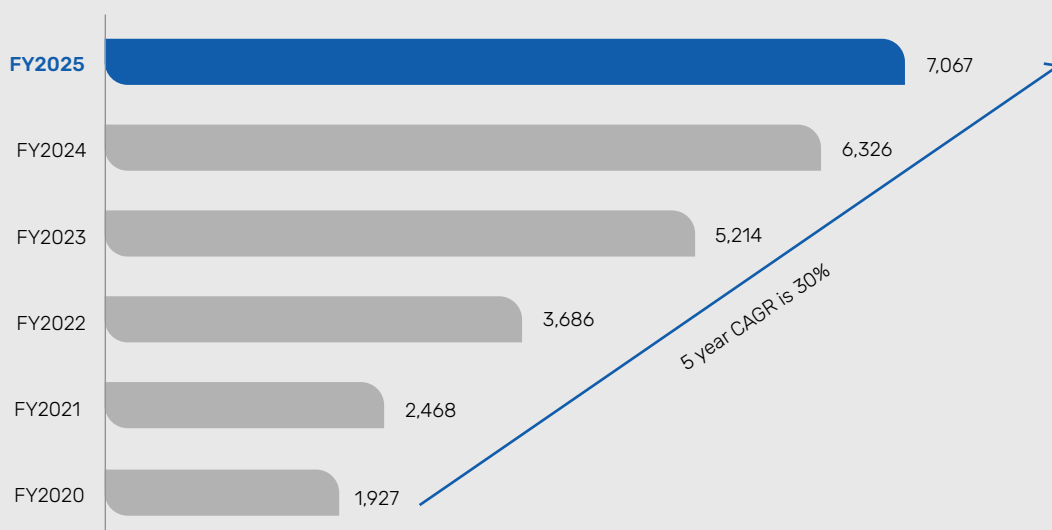
(₹ In Crore)

Particulars	Individual rated new business		New business (NB)	
	FY2025	FY2024	FY2025	FY2024
BALIC	7,067	6,326	12,293	11,494
Private sector	85,023	73,871	170,667	155,437
LIC	35,352	35,104	226,670	222,523
Industry	120,376	108,975	397,337	377,960
<b>Growth rates</b>				
BALIC	11.7%	21.3%	7.0%	7.0%
Private sector	15.1%	8.0%	9.8%	12.1%
LIC	0.7%	(1.3%)	1.9%	(4.0%)
Industry	10.5%	4.8%	5.1%	2.0%
<b>Market share</b>				
Private industry	70.6%	67.8%	43.0%	41.1%
LIC	29.4%	32.2%	57.0%	58.9%

Source: Life Council statistics. Note: Individual rated new business premium = (100% of first year premium and 10% of single premium excluding group products).

### Business update

BALIC recorded gross written premium (GWP) of ₹ 27,160 crore and an AUM of ₹ 123,734 crore in FY2025. In terms of individual rated new business (IRNB) premium, a key focus area, BALIC registered a growth of 11.7%, while the industry grew at 10.5%. BALIC's growth is evident from the Chart E below, with a five year (FY2020-FY2025) compounded annual growth rate (CAGR) of 30%.

**Chart E: BALIC's individual rated new business (IRNB) premium (₹ In Crore)**

- BALIC registered a 10 basis points increase in market share from 5.8% in FY2024 to 5.9% in FY2025 on IRNB basis. Within the private industry, its market share de-grew by 30 basis points from 8.6% in FY2024 to 8.3% in FY2025.
- BALIC continued with its emphasis on a balanced and sustainable product mix. As a result, in the product mix measured on IRNB basis, the proportion of participating business was 24% in FY2025 (versus 27% in



FY2024); non-participating savings, annuity and protection products was 31% in FY2025 (34% in FY2024); and ULIP was 45% in FY2025 (39% in FY2024). Growth in ULIP products was due to buoyant equity markets.

- BALIC has a robust risk management framework. Products carrying financial guarantees are hedged against interest rate and cash flow risk through forward rate agreements with reputed banks within the framework of a Board-approved policy.
- Some other key achievements of FY2025 for BALIC are:
  - An increase in persistency across majority cohorts, lower customer grievances and improvement in claims settlement ratios.
  - Enhancement of product portfolio with launch of new products in various segments.
  - Balancing product mix between traditional and ULIP as well as between individual and group business. The product mix is well diversified across par, non-par savings, protection, annuity and ULIPs.
  - Continue to strengthen and build-up agency via an 'Add and Grow' strategy through new initiatives with higher proportion of variable cost channels to drive efficiencies. This has led to the BALIC building one of the largest agency channels in the private life insurance space with over 161,000 agents.
  - BALIC Direct which involves selling by BALIC's own staff increased its presence to 407 cities, with dedicated verticals for various customer segments such as Service to Sales, New to BALIC (NTB) and Defense.
  - Continued focus on reducing concentration risk in institutional business with addition of new bancassurance partners and developing new relations with quality partners in non-banking sector.
  - Customer First Programme: Increase in number of customers opting for auto-pay helped focusing on faster issuances, claim settlement and driving first time right (FTR). Introduced a revamped customer app and customer communication protocol for a hyper-personalised experience and seamless policy servicing.
  - Strong digital adoption with increase in unique customer logged in digital assets and customer transactions.

### BALIC: Performance Highlights for FY2025

- Individual rated new business (IRNB) premium grew by 12% to ₹ 7,067 crore.
- New business premium grew by 7% to ₹ 12,293 crore.
- Renewal premium grew by 29% to ₹ 14,867 crore.
- Gross written premium (GWP) increased by 18% to ₹ 27,160 crore.
- PAT was ₹ 508 crore.
- Value of New Business (VNB), a key metric used to measure profitability of life insurance businesses, increased by 9% to ₹ 1,152 crore.
- The embedded value of BALIC at FY2025 stood at ₹ 23,805 crore up from ₹ 21,726 crore at FY2024.
- AUM was ₹ 123,734 crore.
- Highest solvency ratio in the industry: 359%.
- Covered 16.5 million group lives in FY2025.
- 13th month persistency\* was at 82% and 61st month persistency\* was at 54%.
- Retail Claims Settlement Ratio of 99.3% and Group Claims Settlement Ratio of 99.8% (FY2025).

\*Policies issued in the March to February period of the relevant years.

**BALIC**

**₹ 123,734 crore**  
AUM  
(↑ 13% YoY)

**99.3%**  
CLAIMS SETTLEMENT RATIO  
(RETAIL CLAIMS)

## Financial performance

BALIC's financial performance for FY2025 is summarised in Table 9.

**Table 9: BALIC's financial performance**

Particulars	(₹ In Crore)		
	FY2025	FY2024	% Change
<b>Gross written premium (GWP)</b>	<b>27,160</b>	<b>23,043</b>	<b>18%</b>
New business premium	12,293	11,494	7%
- Individual rated new business premium	7,067	6,326	12%
- Group protection new business premium	2,616	2,315	13%
Renewal premium	14,867	11,549	29%
Profit After Tax (PAT)	508	563	(10%)
- Policyholders' surplus	(420)	(247)	-
- Shareholders' profit after tax	928	810	15%
<b>Value of New Business (VNB)</b>	<b>1,152</b>	<b>1,061</b>	<b>9%</b>

## Investments

As on 31 March 2025, BALIC's AUM was ₹ 123,734 crore, up by 13% from ₹ 109,829 crore on 31 March 2024. Table 10 provides the data.

**Table 10: BALIC's assets under management**

Particulars	(₹ In Crore)	
	FY2025	FY2024
Shareholders' funds	10,289	10,993
Policyholders' linked funds	47,261	43,744
Policyholders' non linked funds	66,184	55,092
<b>Total</b>	<b>123,734</b>	<b>109,829</b>

## Capital and solvency

- Paid up capital, including share premium, stood at ₹ 1,211 crore as at 31 March 2025. No fresh capital was infused in FY2025.
- Including accumulated profit of ₹ 9,459 crore, the shareholders' net worth was ₹ 10,899 crore (FY2025). For the previous year, accumulated profits were ₹ 9,449 crore, and shareholders' net worth was ₹ 11,139 crore.
- BALIC has a strong solvency ratio of 359% as on 31 March 2025, which is well in excess of the minimum regulatory requirement of 150%.

## Emerging Businesses

### Bajaj Finserv Direct Ltd. (BFSD)

Bajaj Finserv Direct is an open architecture based diversified marketplace for financial services which attracts a large number of new-to-Finserv consumers, creates awareness and discovery of the Finserv brand and cross-sells products by leveraging technology and analytics. It also enhances the digital footprint of Bajaj Finserv through the offering of select digital technology services. Having started its journey in July 2018, it operates under two divisions, as explained below.

### BFSI Marketplace (Bajaj Markets)

- It has two customer facing digital assets: (i) the 'Bajaj Markets Website' – which attracts some 237 million annual visits, and (ii) the 'Bajaj Markets mobile app' which is available on Android and iOS with total installs of some 32 million. Bajaj Markets operates under the concept of web is equal to app.

- It partners with some of the leading companies in the BFSI sector. It has onboarded 96 partners, with 37 products ranging across retail banking (loans and credit cards), life insurance, general insurance, health insurance and investments (fixed deposits, mutual funds, national pension scheme etc.).
- Open architecture offers a wide choice to customers. It has 55 lending partners including BFL.
- It is a corporate agent for distribution of insurance products; and has 19 partnerships across general, life and health insurance, including BAGIC and BALIC.
- It has integrated with ONDC through technology partnership and has started to offer electronics items. There are plans to foray into other similar fast moving consumer categories.

### Bajaj Technology Services

- This focuses on building digital-first solutions for BFSI businesses, and reimagining customer experiences and operations by focusing on eight practices: (i) Digital Experience, (ii) Commerce, (iii) Data Engineering and Analytics, (iv) AI, (v) Cloud, (vi) CRM, (vii) Digital Agency and (viii) Engineering.
- Bajaj Finserv and its subsidiaries have demonstrated the use of relevant technology at scale across various segments of financial services like lending and insurance. Capitalising on this and the capabilities gained while building our own marketplace, the division seeks to offer technology-based services to prospective clients in the financial services ecosystem.
- Working with some of the leading global platforms like Salesforce, Adobe, Microsoft Azure and Amazon Web Services, Bajaj Technology Services helps customers in their digital transformation journey. It has developed real-world GenAI applications and AI accelerators designed to reduce time-to-market and maximise value of AI-powered solutions.
- Bajaj Technology Services plans to drive business through local clients, GCCs set up in India and international clients (largely in the Middle East and the United States).

Bajaj Markets recorded a revenue of ₹ 598 crore and a loss of ₹ 49 crore during FY2025 (₹ 475 crore and ₹ 73 crore respectively in FY2024). BFS and BFL have so far infused capital of ₹ 808 crore in this venture. However, no further capital was infused during the year. The Company has turned cash positive in FY2025.

**BFSD**

**237 million**  
ANNUAL VISITS ON BAJAJ  
MARKETS WEBSITE

**₹ 598 crore**  
REVENUE

### Bajaj Finserv Health Ltd. (Bajaj Finserv Health)

Bajaj Finserv Health is health-tech venture that aims to transform the healthcare sector in India. It offers a range of healthcare solutions and services. The mission is to provide platforms for customers to manage their healthcare needs 360°, covering wellness, outpatient (OPD) and inpatient (IPD) services.

Through an efficient digital platform, Bajaj Finserv Health seeks to: a) connect providers of healthcare such as hospitals, doctors, labs, etc. with consumers of healthcare, and b) provide healthcare and claims management services to payers of healthcare expenditure such as insurance companies, employers and government.

In April 2024, Bajaj Finserv Health completed the acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd. (VHC) at an enterprise value of ₹ 310.70 crore. VHC has a subsidiary, Vidal Health Insurance TPA Pvt. Ltd. which is registered as a Third-Party Administrator (TPA) with the IRDAI and has vast experience in healthcare administration in India. The VHC acquisition significantly augments capabilities of the company in the healthcare space.

On a consolidated basis with Vidal, Bajaj Finserv Health has built a network of over 100,000 doctors, more than 5,000 diagnostic points and over 15,000 hospitals where outpatient (OP) transactions can be done on cashless basis. Over 10 million OPD health transactions have been processed and fulfilled in FY2025. Bajaj Finserv Health operates primarily through a consumer facing app which allows customers to manage their plans, access network of healthcare providers, book appointments and store their health records for future reference.

Bajaj Finserv Health will seek to further grow in the health-tech space by expanding distribution, increasing presence in managed care for employers, providing technology-based cognitive services to all insurance



companies and building on its wellness platform, which includes nutritionist, mental health counselling, fitness and other benefits.

Using Gen AI, Bajaj Finserv Health is building capabilities for healthcare ecosystem like fraud and abuse identification, automated claims management, document digitisation and more.

Bajaj Finserv Health is a Wave 1 partner of the Digital Health Mission of the National Health Authority.

During FY2025, Bajaj Finserv Health recorded a consolidated revenue of ₹ 892 crore and a loss of ₹ 168 crore; and standalone revenue of ₹ 676 crore and a loss of ₹ 138 crore (versus standalone revenue of ₹ 624 crore and loss of ₹ 154 crore in FY2024). BFS has so far infused capital of ₹ 1,126 crore in this health tech venture including ₹ 431 crore in FY2025.

Through BAGIC and Bajaj Finserv Health, Bajaj Finserv will have presence across the spectrum of healthcare through insurance, packaged products, wellness services, technology platforms and data and cognitive services for all segments.

## BAJAJ FINSERV HEALTH

**Over 10 million**  
OPD TRANSACTIONS PROCESSED

**100%**

STAKE ACQUIRED BY BAJAJ  
FINSERV HEALTH IN VIDAL  
HEALTHCARE SERVICES PVT. LTD.

### Bajaj Finserv Asset Management Ltd. (BFS AMC)

Bajaj Finserv received its final registration from the Securities and Exchange Board of India (SEBI) on 1 March 2023 to commence its mutual fund operations under the name Bajaj Finserv Mutual Fund; with Bajaj Finserv Asset Management Ltd. (a 100% subsidiary of Bajaj Finserv Ltd.) to act as its Asset Management Company.

Guided by its distinctive investment philosophy – INQUBE – that adds behavioural finance insights (BE) to information (IN) and use of quantitative techniques (QU), BFS AMC integrates behavioural finance, information-driven insights and quantitative techniques to deliver superior market performance. With a national presence and continuous innovation, BFS AMC is poised for success in shaping India's investment landscape.

Key differentiators for BFS AMC are the identification of megatrends in its investment philosophy and the use of proprietary quant models to generate an alpha over benchmarks. In a crowded AMC market, BFS AMC has adopted the strategy to build from scratch than acquire, with the intent of being a differentiated entity.

It has already achieved an impressive milestone with an AUM of ₹ 20,365 crore as on 31 March 2025 – generating over 113% growth over the previous year. In less than two years since launching its first fund, BFS AMC has emerged as the 26th largest asset management company in India, serving over 675,000 investors and empowering over 35,000 distributors with innovative solutions, including a pioneering WhatsApp-based empanelment.

Bajaj Finserv has infused ₹ 550 crore into this venture, reinforcing its commitment to long-term growth and investor value creation.

## BFS AMC

**₹ 20,365 crore**  
AUM

**AMONGST INDIA'S FASTEST  
GROWING AMCs in UNDER  
2 YEARS**

## Renewable Energy and Conservation of Environment

Bajaj Finserv owns and operates 138 windmills in Maharashtra with total installed capacity of 65.2 MW. During FY2025, the Company continued generating green energy, thereby contributing to conservation of the environment.

Due to unfavourable wind patterns and ageing equipment, the windmills generated 8.41 crore units of renewable power in FY2025 versus 9.04 crore units in FY2024. Revenue from renewable energy in FY2025 was ₹ 22 crore versus ₹ 23 crore in FY2024.

**BFS GENERATES MORE RENEWABLE ENERGY THAN WHAT  
THE BFS GROUP CONSUMES ON AN ANNUAL BASIS.**

## Bajaj Finserv ESG

Bajaj Finserv and its group companies are committed to integrating environmental, social, and governance (ESG) principles into the core fabric of its DNA which is built on the strong legacy of the Bajaj group. As a group, we have deeply integrated societal contribution. We trace our sustainability journey and legacy to our founder, Shri Jamnalal Bajaj, and the Gandhian philosophy that he inculcated. This legacy of responsible business practices and inclusive growth drives us to recognise that true sustainability lies in our dedication to create value for all, both for present and future generations. ESG priorities are integrated into our governance structures and risk management frameworks; into our product offerings and our customer engagement strategies. Our business responsibility strategy is mapped to our vision of responsible growth and implemented in our ESG objectives.

Our ESG initiatives are built upon eight key pillars, as enlisted below, each of which plays a major role in shaping our path of sustainable growth:

### High standards of corporate governance

We uphold the highest ethical, transparent, fair, and accountable standards in our business conduct and governance. The Bajaj group's commitment to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations. It is also reflected in the strong culture of responsible conduct for building long-term businesses and providing sustainable growth and meeting the interests of its stakeholders. Besides adopting high standards of governance, the group remains committed to prudent practices to ensure that businesses are not exposed to undue risks.

### Delivering financial services to millions of Indians

Our extensive pan-India presence, vast network of offices and points of presence continue to champion financial inclusion as a core value proposition of our businesses. We strive to provide access to relevant and innovative financial products and services that meet the diverse needs of the society in a fair and equitable manner. Our products and services empower individuals and communities to achieve their financial goals.

### Preserving and protecting the environment

We are committed to adopting environmentally friendly practices and processes to minimise the impact of our operations on the environment. We have been implementing measures for increased renewable energy use, energy-efficient device adoption and carbon footprint reduction. Additionally, we offer financial products that support environmental preservation, promote sustainable development and encourage stakeholder adoption of eco-friendly practices.

### Empowering society

Our CSR activities are focused on promoting social welfare initiatives that drive inclusive growth, equitable development and the well-being of society. The Company's social investments are directed towards areas of skilling, child education, child health, child protection and inclusion for persons with disabilities. We collaborate with several non-profit organisations, government, hospitals, institutions and training partners to implement programmes and deliver ground-level interventions. We also run a self-implemented skilling programme, the CPBFI (Certificate Programme in Banking, Finance, and Insurance), which is discussed subsequently.

**Customer  
centricity**

We are constantly innovating and investing in products, technologies and processes that enhance customer experience and promote professional, fair and transparent dealings. Our aim remains to deliver personalised and seamless experiences that exceed our customers' expectations and build long-lasting relationships based on trust and transparency.

**Human capital  
management**

Our people are our key assets. Creating a thriving safe, and inclusive workplace that fosters growth is a priority in line with our 'Founders' Ethos' of valuing and nurturing human capital. We continue to provide merit-based opportunities for professional development while ensuring equal opportunities for employment across gender and ethnic backgrounds. We invest in our employees' well-being, offering comprehensive benefits, training programmes and initiatives that promote diversity, equity and inclusion.

**Information and  
cyber security  
including fraud  
management**

We remain vigilant in adopting robust information security, cyber security, and fraud management controls to protect our business operations and safeguard customer data. We continuously invest in state-of-the-art technologies, processes and training to stay ahead of evolving cyber threats and maintain the highest standards of data privacy and security.

**Stakeholders'  
engagement**

We believe that periodic and regular engagement with our stakeholders is crucial to enhancing sustainable and responsible business practices. We actively seek feedback and insights and engage our customers, employees, investors, partners and communities to inform our decision-making and ensure that our ESG initiatives are aligned with their expectations and needs.

Details of the progress that we have made in these areas can be found in our Business Responsibility and Sustainability Report (BRSR) which is uploaded on our website at [www.aboutbajajfinserv.com/about-us](http://www.aboutbajajfinserv.com/about-us)

The Company and all other listed entities within the group comply with the Business Responsibility and Sustainability Reporting related reporting requirements – as mandated by the SEBI. However, since FY2023, despite not being mandated, our non-listed material entities too have been complying with the BRSR requirements, as if these were listed entities, through separate ESG reports.

BALIC and BAGIC are among the few non-listed insurance companies in India that voluntarily report all ESG metrics, without exception, in line with the SEBI's BRSR requirements. Additionally, since FY2023, BAGIC and BALIC are also one of the first non-listed insurance companies in India to obtain limited assurance of the BRSR report and separate verification of GHG emissions (Scopes 1, 2 and 3).

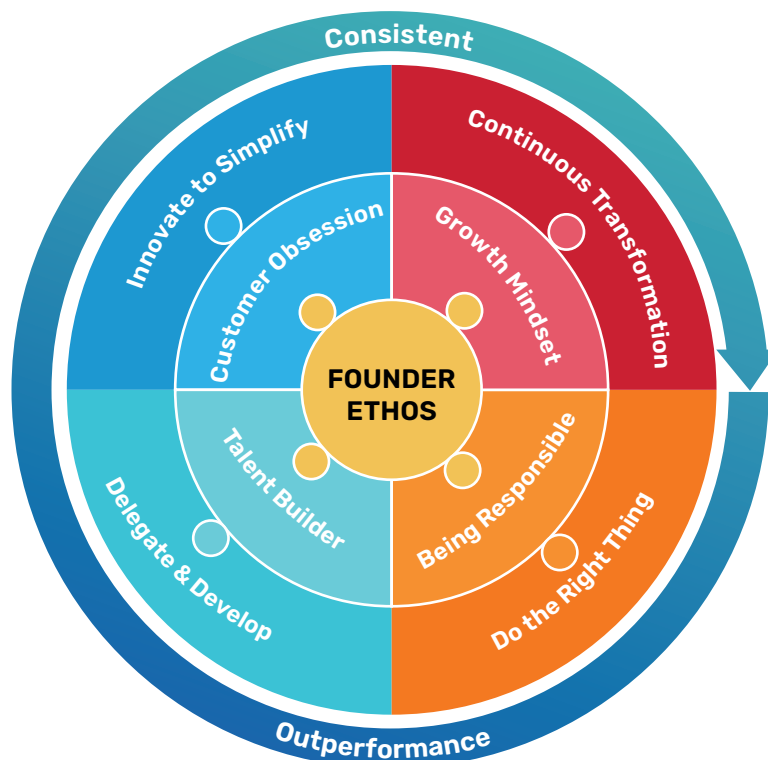


## One Finserv: A group-wide platform for human capital development

One Finserv is a major initiative adopted across the group companies to provide employees with opportunities for growth and career development across our businesses. Started a few years ago, the development of One Finserv has entailed:

- Creating a common job evaluation structure so that jobs can be easily compared or ported across our businesses.
- Creating a custom platform for internal job postings under which almost all vacancies are advertised across the group for employees to access, review and freely apply if eligible.
- The 'Bajaj Finserv Culture Wheel' is our means to bring alive our purpose and fuel our mission of consistent outperformance. Our culture wheel is anchored on our founder ethos and comprises leadership mindsets – namely, growth mindset, customer obsession, being responsible and talent builder. These complement leadership behaviours consisting of (i) continuous transformation, (ii) innovate to simplify, (iii) delegate and develop, and (iv) do the right thing. These form the basis of our talent management. All middle and senior management employees aspiring to be leaders are evaluated and developed on these dimensions.
- Preparation of talent cards for each employee which identifies potential growth opportunities within the group as well as potential internal successors.
- Creating learning and development journeys based on the talent cards focused on the leadership mindsets and behaviours are the means to improve the readiness of talent to handle expanded roles, transition to roles as part of the growth plan and enhance the succession bench strength.
- The senior and top management talent process is a once in two years exercise backed by annual review of the succession plans for CXOs and critical positions across the group.

**Our purpose is to be - A place where innovation, agility and ownership thrives, creating responsible leaders who build long-term profitable businesses, to delight our customers.**



**Bajaj Finserv Culture Wheel**

## Bajaj Finserv's Skillserv

Skillserv is the in-house skilling initiative at Bajaj Finserv. Within the umbrella of Skillserv, we have different range of BFSI products on which we train youths to make them industry ready and financially independent. Skillserv covers a range of different products starting from financial services to Gold Loans and from Micro finance to Insurance. CPBFI is one of our flagship programmes that Bajaj has been running from last 7 years.

Continuing the strong tradition of giving back, the Bajaj group announced Bajaj Beyond - an initiative which commits ₹ 5,000 crore impacting over 2 crore Indians over the next 5 years, with a focus on skilling. This initiative aims to bridge the skill gap and empower the youth of India for a brighter future. India currently faces an enormous skill gap between industry demand and the skillset acquired through education and training.

## CPBFI: The flagship skilling programme of Bajaj Finserv

CPBFI, a certificate programme in banking, finance and insurance is a flagship skilling programme that aims to enhance employability for the financial services sector by providing comprehensive skills training within the BFSI domain.

Primarily targeting first-generation graduates from smaller towns, the programme seeks to empower ambitious individuals by equipping them with industry relevant skills. Notably, 68% of participants are first-generation graduates, predominantly comprising of young aspirants from tier 2 or 3 cities, with a significant representation of women at 61%.

The 120-hour programme has been meticulously designed to offer a combination of experiential learning and insights from corporate trainers or finance domain experts. It thus offers a robust understanding of technical subjects in banking and insurance and enables students to acquire approximately 22 skills crucial for the workplace. Furthermore, HR workshops and mock interviews, conducted by Bajaj Finserv recruiters, enhance practical knowledge and industry readiness. CPBFI has trained over 100,000 students since inception and have certified 46,807 students in FY2025 spanning over 161 districts and 23 states of India.

CPBFI's commitment to excellence is underscored by its collaborations with national bodies such as National Skill Development Corporation (NSDC) and All India Council for Technical Education (AICTE) that enables students to earn a joint certification accredited by both Bajaj Finserv and Skill India. It has also launched Project Odiserv as a part of Ministry of Skill Development and Entrepreneurship that will further introduce CPBFI programme in 60 colleges across Odisha, spanning 11 cities and 10 districts. Additionally, Bajaj Finserv has received a recognition as a dual awarding body. This allows for further collaborations and engagements. The National Council of Vocational Education and Training (NCVET) dual body awarding status has enabled the training programme to have 4 credits as part of the overall credit-based system in their college academic curriculum. In FY2025 we did conduct few batches in the states of Uttarakhand, Assam, and Telangana with the NCVET mandate.

Collaborating with colleges and leveraging training partners, CPBFI delivers training modules co-designed and executed by expert trainers with extensive industry experience. With a nationwide presence across 400 colleges and collaboration with six training partners, the programme is facilitated by over 300 trainers. The programme has impacted the learners in either they are taking up jobs post their graduation within the BFSI industry or going for higher education since they are getting trained in the college campuses today.

Skillserv has expanded its range of BFSI offerings beyond CPBFI by piloting new offerings in the space of insurance, gold loans and micro finance. We are also building our library of digital programmes. Over time we will build an ecosystem of such offerings, leveraging our expertise and providing the opportunity to skill and upskill and thereby create economic and social opportunities for our citizens.

This is an important initiative of Bajaj group continuing its focus of giving back to society.

**CPBFI**

**TRAINED OVER**  
**100,000**  
**STUDENTS**

**SPANNING OVER**  
**161**  
**DISTRICTS**

**23**  
**STATES OF INDIA**

## Financials of Bajaj Finserv

### BFS: Consolidated Performance Highlights for FY2025

All-time high...

- Consolidated revenue of ₹ 133,822 crore.
- Consolidated profit after tax (PAT) of ₹ 8,872 crore.
- BFL consolidated PAT of ₹ 16,638 crore.
- BAGIC PAT of ₹ 1,832 crore.
- BALIC value of new business (VNB) of ₹ 1,152 crore.

### Standalone financials

Standalone financials of BFS are given in Table 11 and significant ratios in Table 12.

**Table 11: Standalone financials of Bajaj Finserv**

Particulars	(₹ In Crore)	
	FY2025	FY2024
A. Income from wind farm activity	22	24
Administrative expenses	11	11
Profit from wind farm activity	11	13
B. Income from investments and others*	2,277	1,710
Other expenses	238	186
Profit before tax (PBT)	2,050	1,537
Tax expense	491	367
Profit after tax (PAT)	1,559	1,170

\* Includes dividend received from subsidiaries of ₹ 2,001 crore (Previous year : ₹1,508 crore).

**Table 12: Significant standalone ratios of Bajaj Finserv**

Particulars	FY2025	FY2024
Current ratio	1.0	1.3
Operating profit margin %	89.1%	88.6%
Net profit margin %	67.8%	67.5%
Return on net worth %	20.9%	19.8%

### Consolidated financials

The consolidated financials are given in Table 13. These include the results of subsidiaries and joint venture and are prepared in accordance with the Ind AS.

### Note on consolidated profit after tax

Under Ind AS, the insurance subsidiaries have chosen to hold a part of the equity securities portfolio as Fair Value Through Profit and Loss (FVTPL) and the balance as Fair Value Through Other Comprehensive Income (FVTOCI). This may cause temporary volatility in financial results due to unrealised mark to market (MTM) movements on the FVTPL portfolio. Further, the realised profit on FVTOCI equity portfolio is not routed to Profit and Loss Account.



**Table 13: Consolidated financials of Bajaj Finserv****Segment revenue**

(₹ In Crore)

Particulars	FY2025	FY2024
Life insurance	32,139	27,673
General insurance	32,034	27,299
Windpower	22	24
Retail finance	69,725	54,983
Investments and others	4,006	3,190
	<b>137,926</b>	<b>113,169</b>
Less: inter-segment	4,104	2,786
<b>Total</b>	<b>133,822</b>	<b>110,383</b>

**Segment results: profit after tax**

(₹ In Crore)

Particulars	FY2025	FY2024
Life insurance	142	457
General insurance	1,147	1,021
Windpower	11	13
Retail finance	8,542	7,586
Investments and others	(527)	(848)
<b>Profit before MTM gain</b>	<b>9,315</b>	<b>8,229</b>
Unrealised MTM gain/(loss)	(225)	70
Realised MTM (gain) booked in OCI	(218)	(151)
<b>Profit after MTM gain</b>	<b>8,872</b>	<b>8,148</b>

**Internal control systems and their adequacy**

The internal controls of the Company are commensurate with the business requirements, its scale of operation and applicable statutes to ensure orderly and efficient conduct of business. These have been designed to provide a reasonable assurance with regard to maintaining proper accounting controls, safeguarding of assets, prevention, and detection of frauds and errors, ensuring operating effectiveness, reliability of financial reporting, and compliance with applicable regulations. The auditors opine on the adequacy and operating effectiveness of internal financial controls over financial reporting. Internal auditors periodically bring to the attention of the Audit Committee deficiencies and weaknesses in the internal control systems, if any. The Audit Committee reviews and monitors the remedial actions to ensure its overall adequacy and effectiveness. Statutory and Internal Auditors are also invited to the Audit Committee meetings to ascertain their views on the adequacy of internal control systems.

There have been no material changes in the process level controls or activities conducted in the financial statement closing process of the Company. The Company has been compliant with the requirements, prescribed under amendments in the Companies (Account) Rules, 2014, of using accounting software which has a feature of recording audit trail and creating an edit log of each change made in the books of account. Management believes that strengthening internal controls is a continuous process and it will, therefore, continue its efforts to keep pace with changing business needs and environment.

## Awards and Recognition

During the year, the Company and its subsidiaries received several awards, some of which are given below.

### BFS

Sanjiv Bajaj, Chairman and Managing Director, received the 'Maharashtrian of the Year 2025' award in March 2025 organised by Lokmat recognising his leadership, contribution to the financial services sector, and commitment to creating a positive impact on society.

### BFL

- Business Today Award 2024 for Best Large NBFC.
- Best Large NBFC at Mint BFSI Summit and Awards.
- Best Listed NBFC by Fortune India and Grant Thornton for 2024.
- FE India's Best Banks Award 2024 for NBFC.

### BAGIC

- Best General Insurance Company Award at InsureNext Global Conclave and Awards.
- Best AI-Powered Chatbot to enhance Customer Experience (CX) at the 4<sup>th</sup> edition CX Excellence Awards 2024 organised by Quantic India.
- CX Initiative of the Year Award at the India Insurance Summit and Awards 2024.
- Best Use of Data Analytics in Fraud Detection Award at the India Fraud Risk Management and Summit Awards 2024.

### BALIC

- Sustainability Reporting Award 2024 under the category of Voluntary Disclosures - Service Sector by the Institute of Chartered Accountants of India (ICAI).
- Platinum Award at the 9<sup>th</sup> 'CII National Competition 2024' on Digitalisation, Robotics and Automation - Industry 4.0 organised by the Confederation of Indian Industry.
- Best Practice in Digital Transformation with innovations in 'Knowledge Bot' at the CII DX Awards 2024.
- Tarun Chugh, MD & CEO, BALIC, was recognised as one of 'The Most Promising Business Leaders of Asia 2024' by ET Edge.

### Bajaj Finserv Direct

- Bronze award for 'Best Execution of Performance Campaign' at the 15<sup>th</sup> India Digital Awards 2025 by Internet and Mobile Association of India.
- D&I Employer of the Year at the 6<sup>th</sup> Edition of 'Diversity and Inclusion Summit and Awards 2024'.

### Bajaj Finserv Health

- Best Fintech-Insurance Award at the Financial Express India's Best Banks Awards.

### Bajaj Broking

- 'Excellence in Open API Integration 2024' by Quantic India.
- 'Prestigious Rising Brand of India - Broking Services 2024' by BARC Asia and Herald Global.

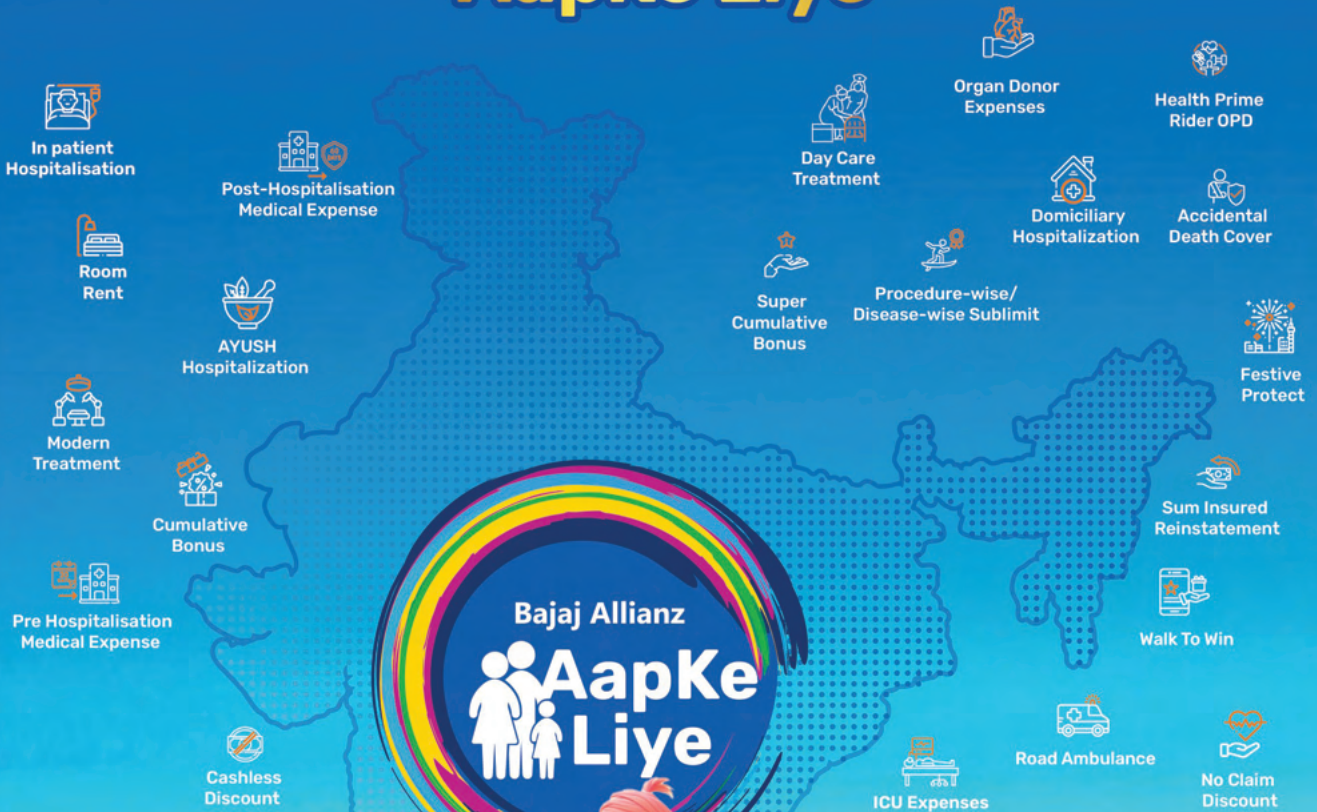
## Cautionary Statement

Statements in this Management Discussion and Analysis describing the Company's objectives, projections, estimates and expectations may be 'forward looking' within the meaning of applicable laws and regulations. Actual results may differ from those expressed or implied. Important factors that could make a difference to the Company's operations include global economy, political stability, stock performance on stock markets, changes in government regulations, tax regimes, economic developments and other incidental factors. Except as required by law, the Company does not undertake to update any forward-looking statements to reflect future events or circumstances. Investors are advised to exercise due care and caution while interpreting these statements.



# Introducing India's First Health Insurance Tailored For Every State

BajajAllianz  
**AapKe Liye**



**Bajaj Allianz General Insurance - Hamesha AapKe Liye**



# Report on Corporate Governance

Corporate governance is about promoting fairness, transparency, accountability, commitment to values, ethical business conduct and considering all stakeholders' interest while conducting business.

This report details the corporate governance policies and practices of Bajaj Finserv Ltd. (the 'Company', 'Bajaj Finserv' or 'BFS') for FY2025 and outlines compliance with requirements of the Companies Act, 2013, as amended, (the 'Act') and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'), as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

## 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 and clause 49 of erstwhile Listing Agreement. 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. We believe that the imperative for good corporate governance lies not merely in drafting codes for corporate governance but in practising and implementing the same in spirit.

Bajaj Finserv is a conglomerate of different financial services businesses – lending, general and life insurance, digital distribution, digital healthcare platform, stock broking, asset management and investment operated through its subsidiaries and joint ventures. Through its representation on the Boards of the subsidiaries, Bajaj Finserv seeks adoption of key group principles of corporate governance across its subsidiaries.

## Key elements of Bajaj Finserv's Corporate Governance

- Compliance with applicable laws.
- Proactive adherence to the regulations.
- Number of Board and Committee meetings more than the statutory requirement, including meetings dedicated for discussing strategy of subsidiaries, operating plans and risks.
- Board comprises of directors from diverse background 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.
- Audit Committee comprising of Independent Board members and with Independent Directors chairing all Committees of the Board.
- Independent Assurance on arm's length of Related Party Transaction(s).
- Pre-briefing sessions with Committee's Chair with statutory auditors, internal auditor, chief risk officer, chief human resources officer, and members of executive management who are the process owners.
- Strategic Investment Committee for evaluating, scrutinising and recommending investment opportunities to the Board.
- Separate meeting of independent directors without the 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 itself.
- Presentations by key senior management team members of the Company and its subsidiaries to familiarise the directors with key elements of each of the businesses.
- 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 subsidiaries which ensures an institutionalised structure of control over subsidiaries.
- Half-yearly communication from the Chairman to all shareholders of the Company giving an update on the Company's performance.
- Terms of reference of various Committees in line with best practices and governance guidelines.

- Adoption of key governance policies and codes by the Board in line with best practices, these *inter-alia*, include:
  - Whistle-Blower Policy/vigil mechanism;
  - Policy on Materiality and dealing with Related Party Transactions;
  - Code of Conduct for directors and senior management;
  - Dividend Distribution Policy;
  - Policy on Prevention of Sexual Harassment at workplace;
  - Charter of fair & responsible workplace guidelines for contract labour;
  - Corporate Social Responsibility Policy;
  - Remuneration Policy;
  - Policy for determining Material Subsidiaries;
  - Code of ethics and personal conduct;
  - Responsible and Sustainable Business Conduct Policy;
  - Employee Charter and Human Rights Statement;
  - CII Code of Conduct;
  - Group Anti-Money laundering Policy;
  - Group Know Your Customer Policy;
  - Intra Group Investment Policy;
  - Group Information Security Policy; and
  - Group Cyber Security Policy.

Various policies adopted by the Company can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>.

## Board of Directors

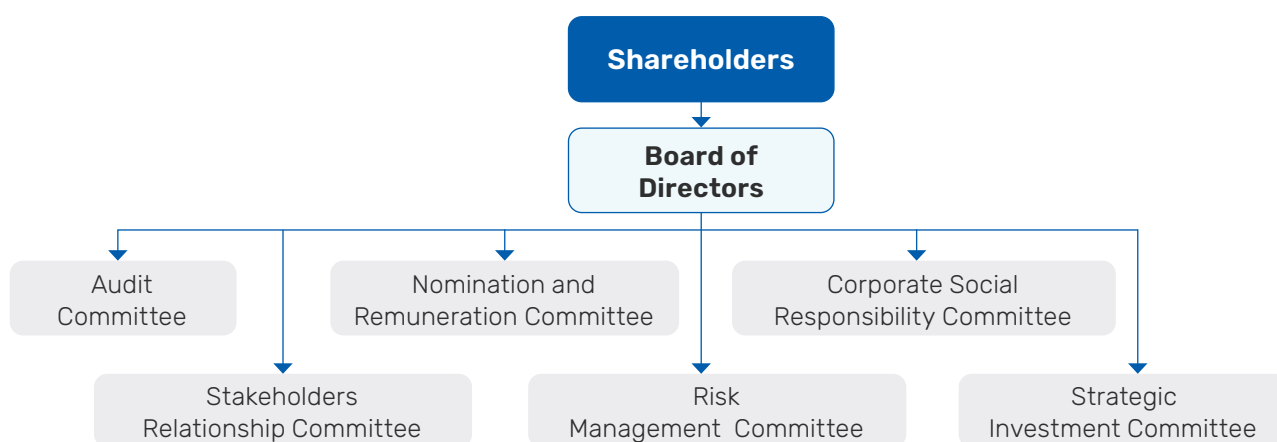
The Board of Directors ('Board') and its Committees play significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long-term stakeholder value.

Keeping with the commitment to the principles of integrity and transparency in business operations and good corporate governance, the Company's policy is to have an appropriate blend of independent and non-independent directors to maintain the independence of the Board and to separate the Board functions of governance and management.

The responsibilities of the Board, *inter alia*, include formulation of overall strategy for the Company, reviewing major plan of actions, oversight over subsidiaries, 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, environment and its various stakeholders.

The Board has constituted several Board sub-Committees. The remit of these Committees is governed by the regulations, operational requirements and such other matters requiring special and expert attention. Further, extensive review of terms of reference was carried out to align them with updated Regulations.

## Board and Committees



## Composition

In compliance with the SEBI Listing Regulations, the Company has an optimum combination of executive and non-executive directors with a woman independent director.

As on 31 March 2025, the Board of the Company consisted of eight directors, of whom one was promoter and executive (Chairman & Managing Director), one was promoter and non-executive, five were non-executive independent (including one-woman independent director) and one was non-executive non-independent. The Board does not have any institutional nominee director.















































The Company is in compliance with the SEBI Listing Regulations.

## Number of meetings of the Board

The calendar for the Board and Committee meetings, in which the financial results would be considered in the ensuing year, is fixed in advance for the entire year. Besides the quarterly Board meetings, meetings are also scheduled in the month of March and September every year to facilitate the Board to devote additional time on long range planning, annual operating plans and other strategic matters of the Company including that of the subsidiaries.

During FY2025, the Board of Directors met eight times. The gap between any two consecutive meetings has been less than one hundred and twenty days.

## Attendance record of directors for FY2025:

		Dates of Board meetings held during FY2025							Attendance at the Last AGM held on 24 July 2024
Sr. No.	Name of the directors	26 April 2024	24 July 2024	13 September 2024	23 October 2024	30 January 2025	21 February 2025	17 March 2025	
Chairman & Managing Director									
1.	Sanjiv Bajaj (DIN:00014615) Executive, Promoter								
Independent Directors									
2.	Dr. Naushad Forbes (DIN: 00630825)								
3.	Anami N Roy (DIN: 01361110)								
4.	Pramit Jhaveri (DIN: 00186137)								
5.	Radhika Haribhakti (DIN:02409519)								
6.	Sanjiv Sahai (DIN: 00860449)	NA	NA	NA	NA	NA	NA		
Non-Executive Directors									
7.	Madhur Bajaj (DIN: 00014593) Promoter			NA	NA	NA	NA	NA	NA
8.	Rajiv Bajaj (DIN: 00018262) Promoter								
9.	Manish Kejriwal (DIN: 00040055) Promoter Group								
  Present  Absent    NA - Not applicable									

 Present    Absent   **NA** - Not applicable

Notes:

- Sanjiv Bajaj and Rajiv Bajaj are related as brothers. No other directors are related inter se.
- Madhur Bajaj ceased to be director w.e.f. close of business hours on 24 July 2024.
- Sanjiv Sahai was appointed as an additional independent director w.e.f. 1 March 2025.

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



Sr. No.	Name of Director, DIN and capacity/category	Director since	% of meetings attended in last 3 years*	Remuneration (₹ in Crore)			No. of Shares held in the Company as on 31 March 2025
				Salary and other compensation	Sitting Fee	Commission	
Chairman and Managing Director							
1.	Sanjiv Bajaj (DIN:00014615) Executive, Promoter	30 April 2007	100	37.44	-	-	4,144,040
Independent Directors							
2.	Dr. Naushad Forbes (DIN: 00630825)	13 September 2017	95	-	0.22	0.66	500
3.	Anami N Roy (DIN: 01361110)	1 January 2019	100	-	0.21	0.63	-
4.	Pramit Jhaveri (DIN: 00186137)	1 May 2022	95	-	0.17	0.51	-
5.	Radhika Haribhakti (DIN:02409519)	1 May 2022	100	-	0.16	0.48	900
6.	Sanjiv Sahai (DIN: 00860449)	1 March 2025	100		0.02	0.06	-
Non-Executive Directors							
7.	Madhur Bajaj* (DIN: 00014593) Promoter	10 May 2007	87	-	-	-	500,000
8.	Rajiv Bajaj (DIN: 00018262) Promoter	30 April 2007	86	-	0.07	0.21	2,000
9.	Manish Kejriwal (DIN: 00040055)	1 January 2019	95	-	0.10	0.30	6,739,380

Notes:

- \*% of meetings attended is calculated based on the board meetings attended by the directors.
- The Company has not issued any convertible instruments and none of the Directors hold any convertible instrument.

### Changes in composition of Board during FY2025

Details of change in composition of the Board during FY2025 are as below:

Sr. No.	Name of Director	Capacity	Nature of Change	Effective Date
1.	Madhur Bajaj	Non-executive director (Promoter)	Cessation due to retirement	24 July 2024 (close of business hours)
2.	Sanjiv Sahai	Non-executive, independent director	Appointment	1 March 2025
3.	Rajeev Jain	Non-executive non-independent director	Appointment	1 April 2025

### Resignation of Independent Director during FY2025

No resignation was tendered by any of the Independent Directors during FY2025.

### Board Diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board through Nomination and Remuneration Committee ('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 such as risk management, banking and financial services, economics, technology and innovation, customer experience human resources, business transformation and strategy 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.

A brief profile of directors is available on the website of the Company and can be accessed at <https://www.aboutbajajfinserv.com/people-and-committees-board-of-directors>.

### Core skills/ expertise/ competencies

As stipulated under schedule V to 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:

Name of the Directors	Skills/Expertise/Competencies								
	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 & Strategy
Sanjiv Bajaj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Naushad Forbes	✓	-	✓	✓	✓	✓	✓	✓	✓
Anami N Roy	✓	✓	-	-	✓	✓	✓	✓	-
Pramit Jhaveri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Radhika Haribhakti	✓	✓	-	-	✓	✓	-	✓	✓
Sanjiv Sahai	✓	-	-	✓	✓	✓	✓	✓	-
Rajiv Bajaj	✓	✓	✓	✓	✓	✓	-	✓	✓
Manish Kejriwal	✓	✓	✓	✓	✓	-	✓	-	✓

### Opinion of the Board

The Board hereby confirms that, in their opinion, the independent directors fulfil the conditions specified under the SEBI Listing Regulations and the Act and that they are independent of the management of the Company.

### Non-executive directors' compensation

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

The members of the Company vide special resolution dated 22 June 2022, have approved the payment of commission up to a sum not exceeding one percent of the net profit 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 and Whole-time Director, if any) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors from time to time during the period of five years commencing from 1 April 2022.

For FY2025, the NEDs of the Company are being paid commission at the rate of ₹ 300,000 per meeting of the Board and/or its Committees attended by them.

The commission is paid to the directors' post adoption of financial statements by the members at the annual general meeting.

The directors are also entitled to sitting fee of ₹ 100,000 per meeting for every meeting of the Board and/or Committee (except Corporate Social Responsibility Committee) attended by them.

The Company does not have a stock option programme for any of its directors. However, Rajeev Jain has been awarded one time grant of stock options of BFS in capacity of Managing Director of Bajaj Finance Ltd.

### Information placed before the Board

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

Since the Company operates through its subsidiaries in diverse businesses, special presentations are made on specific businesses and/or topics as part of governance oversight over subsidiaries.

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 21 March 2025 and 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, compliance and regulatory matters. During FY2025, it *inter-alia*, covered the following:

- Business plans, forecast and strategic initiatives of the Group
- Succession planning, organisation structure and talent management framework
- Annual operating plans/ financial budget of select subsidiaries
- Status of compliance with Act, SEBI Regulations and shareholder related matters
- Review of various policies framed by Company from time to time covering, amongst others, Code of Conduct for Directors and Senior Management, Whistle-Blower policy, Code of practice and procedure for fair disclosure and Risk Management policy, etc.
- Risk management policy of the Company, Risk management system and strategy followed at the Company and at its subsidiaries
- Deliberations of Committees
- Review of critical legal matters involving the Company and/or its subsidiaries
- Performance of subsidiaries
- Presentations on the various Regulatory updates
- Review of Terms of reference of board constituted Committees

### 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. The Board is of the opinion that quantum and risk presently covered is adequate.

### Orderly succession to Board and Senior Management

One of the key functions of the Board of directors is selecting, compensating, monitoring, and when necessary, replacing key managerial personnel and overseeing succession planning.

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

During the year under review, the Board was updated, *inter alia*, on the following:

- Framework to address anticipated, as well as unscheduled changes in leadership;
- Several programmes through which high performing talents are identified;
- Launch of four programmes in collaboration with the Indian School of Business (ISB);
- Series of interventions and experiential environments to develop their leadership qualities and skills;
- Keeping in line with the principles of governance, how the changes are planned from time to time in the Board of Directors, Board committees and the top management as part of succession planning.



## Directorships and memberships of Board committees

**Table 1: Number of directorship/committee positions of directors as on 31 March 2025 (including the Company):**

Sr. No.	Name of Director	No. of Directorships	Directorships			Committee positions in listed and unlisted public companies	
			In equity 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.	Dr. Naushad Forbes	13	5	1	7	6	1
3.	Anami N Roy	6	5	-	1	6	4
4.	Pramit Jhaveri	4	3	-	1	2	-
5.	Radhika Haribhakti	7	5	1	1	7	3
6.	Sanjiv Sahai	5	2	2	1	4	-
7.	Rajiv Bajaj	11	5	2	4	-	-
8.	Manish Kejriwal	5	3	-	2	1	1

**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/section 25 of the Companies Act, 1956 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 twenty companies at the same time. Further, none of them have directorships in more than ten 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. Directorships in dormant companies and section 8 of the Act/section 25 of the Companies Act, 1956 are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

As per declarations received, no director serves as an independent director in more than seven equity listed companies or in more than three equity listed companies if he/ she is a whole-time director/ managing director in any listed company.

None of the director was a member in more than ten committees, nor a chairperson in more than five 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 and efforts to their responsibilities as Board/Committee members.

## Directorship in listed companies (including debt listed companies)

**Table 2: Name of listed entities where directors of the Company held directorships as on 31 March 2025 (including the Company)**

Name of director	Name of listed entity	Category
Sanjiv Bajaj	Bajaj Auto Ltd.	Non-executive, non-independent
	Bajaj Finance Ltd.	Chairman, non-executive, non-independent
	Bajaj Finserv Ltd.	Chairman and Managing Director
	Bajaj Holdings & Investment Ltd.	Managing Director and CEO
	Bajaj Housing Finance Ltd.	Chairman, non-executive, non-independent
	Maharashtra Scooters Ltd.	Chairman, non-executive, non-independent
Dr. Naushad Forbes	Bajaj Auto Ltd.	
	Bajaj Finance Ltd.	
	Bajaj Finserv Ltd.	Non-executive, independent
	Bajaj Holdings & Investment Ltd.	
	Zodiac Clothing Company Ltd.	

Name of director	Name of listed entity	Category
Anami N Roy	Bajaj Auto Ltd.	Non-executive, independent
	Bajaj Finance Ltd.	
	Bajaj Finserv Ltd.	
	Bajaj Housing Finance Ltd.	
	Siemens Ltd.	
Pramit Jhaveri	Bajaj Finance Ltd.	Non-executive, independent
	Bajaj Finserv Ltd.	
	Larsen and Toubro Ltd.	
Radhika Haribhakti	Bajaj Finance Ltd.	Non-executive, independent
	Bajaj Finserv Ltd.	
	EIH Associated Hotels Ltd.	
	NOCIL Ltd.	
	Torrent Power Ltd.	
Sanjiv Sahai	Bajaj Finserv Ltd.	Non-executive, independent
	Lemon Tree Hotels Ltd.	
	Sustainable Energy Infra Investment Managers Private Limited (Debt listed entity)	
Rajiv Bajaj	Bajaj Auto Ltd.	Managing Director and CEO
	Bajaj Electricals Ltd.	Non-executive, non-independent
	Bajaj Finance Ltd.	
	Bajaj Finserv Ltd.	
	Bajaj Holdings & Investment Ltd.	Vice-Chairman, non-executive, non-independent
Manish Kejriwal	Alembic Pharmaceuticals Ltd.	Non-executive, independent
	Bajaj Finserv Ltd.	Non-executive, non-independent
	Bajaj Holdings & Investment Ltd.	

### Certificate on qualification of Directors

The Company has received a certificate from Shyamprasad D. Limaye, practising company secretary, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as director of the Company by SEBI/Ministry of Corporate Affairs (MCA) or any other statutory authority for FY2025. The certificate forms part of this [Annual Report](#).

### 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 Chairman & Managing Director and Company Secretary provide compliance report to the Board on a periodic basis.

### 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 is reviewed periodically. The Code is 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-managementpdf-1?scl=1&fmt=pdf>.

All the Board members and senior management personnel have affirmed compliance with the said Code for the year ended 31 March 2025. A declaration to this effect signed by the Chairman & Managing Director forms a part of this [Annual Report](#).

### 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 on 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/bfs-terms-of-id-appointment-2018-v1pdf-1?scl=1&fmt=pdf>.

### Familiarisation programme

On an ongoing basis, the Company endeavours to keep the Board including independent directors abreast with matters relating to the industry in which Company and its subsidiaries operates, their business model, long range strategies, operating plans and business updates, key risks, cyber security and risk mitigation, Environment Social and Governance (ESG) initiatives of the Company and the Group, their roles, rights and responsibilities and major developments and updates on the Company, its subsidiaries and Group, etc.

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 can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/familiarisation-programme-for-independent-directors-25pdf?scl=1&fmt=pdf>.

### 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. This mechanism enables directors and employees 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 who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

The said 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-v2pdf-1?scl=1&fmt=pdf>.

During FY2025, no employee was denied access to the Chairman of Audit Committee under this policy.

No complaint was received by Company during FY2025.

### Details of subsidiaries

#### a) Material subsidiaries

The Company has four material subsidiaries viz. Bajaj Finance Ltd. (BFL), Bajaj Allianz Life Insurance Company Ltd. (BALIC), Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Housing Finance Ltd. (BHFL).

The details of the same are as under:

Sr. No.	Particulars	Lending companies	
		BFL	BHFL
1.	Date of incorporation	25 March 1987	13 June 2008
2.	Place of incorporation	Pune	Pune
3.	Registered office	Akurdi, Pune- MH 411035	Bajaj Auto Ltd. Complex Mumbai-Pune Road, Akurdi Pune- 411035
4.	Name of the joint auditors	A. Price Waterhouse LLP, Chartered Accountants, B. Kirtane & Pandit LLP, Chartered Accountants	A. Mukund M Chitale & Co., Chartered Accountants B. Singhi & Co., Chartered Accountants
5	Date of appointment	23 July 2024	22 July 2024



Sr. No.	Particulars	Lending companies	
		BFL	BHFL
6.	Period of appointment	From the conclusion of 37th AGM till conclusion of 40th AGM	From the conclusion of 16th AGM till conclusion of 19th AGM
7.	Other details	<ul style="list-style-type: none"> <li>BFL is registered as a Non-Banking Finance Company with Reserve Bank of India ('RBI') (Registration No. A-13.00243).</li> <li>It is also classified in the Upper Layer pursuant to RBI Scale Based Regulations.</li> <li>The equity shares of the company are listed on BSE Ltd. and National Stock Exchange of India Ltd.</li> <li>Debentures issued by the company are listed on the wholesale debt market (WDM) segment of BSE Ltd. It is classified as a high value debt listed entity in terms of SEBI Listing Regulations.</li> </ul>	<ul style="list-style-type: none"> <li>BHFL is registered as a Housing Finance Company with National Housing Bank (Registration No. 09.0127.15).</li> <li>It is also classified in the Upper Layer pursuant to RBI Scale Based Regulations.</li> <li>The equity shares of the company are listed on BSE Ltd. and National Stock Exchange of India Ltd.</li> <li>Debentures issued by the company are listed on the whole sale debt market (WDM) segment of BSE Ltd. It is classified as a high value debt listed entity in terms of SEBI Listing Regulations.</li> </ul>

Sr. No.	Particulars	Insurance companies			
		BAGIC		BALIC	
1.	Date of incorporation	19 September 2000		12 March 2001	
2.	Place of incorporation	Pune		Pune	
3.	Registered office	Bajaj Allianz House, Airport Road, Yerawada Pune MH 411006 India		Bajaj Allianz House, Airport Road, Yerawada Pune MH 411006 India	
4.	Name of the joint auditors	S R Batliboi & Co. LLP, Chartered Accountants	KKC & Associates LLP, Chartered Accountants (formerly Khimji Kunverji & Co. LLP)	Deloitte Haskins & Sells, Chartered Accountants	Kalyaniwalla & Mistry LLP, Chartered Accountants
5.	Date of appointment	28 April 2023	5 May 2022	28 April 2023	5 May 2022
6.	Period of appointment	From the conclusion of 23rd AGM till conclusion of 28th AGM	From the conclusion of 22nd AGM till conclusion of 27th AGM	From the conclusion of 22nd AGM till conclusion of 27th AGM	From the conclusion of 21st AGM till conclusion of 26th AGM
7.	Other details	BAGIC is a joint venture between Bajaj Finserv Ltd. and Allianz SE. The company is registered as a General Insurer with IRDAI (Registration No. 113)		BALIC is a joint venture between Bajaj Finserv Ltd. and Allianz SE. The company is registered as Life Insurer with IRDAI (Registration No. 116)	

These material subsidiaries have eminent and professional Board of Directors comprising of highly qualified persons and the brief profile of those directors are uploaded on respective company's website.

The Company's policy for determination of material subsidiary has been placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-material-subsidiaries-v2pdf?scl=1&fmt=pdf>.

**b) Wholly-owned subsidiaries:**

Sr. No.	Name of the company	Date of incorporation	Place of incorporation	Particulars	
				Registered office	Other details
1.	Bajaj Finserv Health Ltd. (BFS-Health)	5 July 2019	Pune	Bajaj Auto Limited Mumbai-Pune Road, Akurdi, Pune MH 411035	Bajaj Finserv Health is health-tech venture that aims to transform the healthcare sector in India. It offers a range of healthcare solutions and services.  Bajaj Finserv Health seeks to a) connect providers of healthcare such as hospitals, doctors, labs etc. with consumers of healthcare, and b) provide healthcare and claims management services to payers of healthcare expenditure such as insurance companies, employers and government, through an efficient digital platform.
2.	Bajaj Finserv Ventures Ltd. (BFS-Ventures)	27 September 2021	Pune	Bajaj Finserv Limited S.No.208/1B, Lohagaon, Viman Nagar, Pune MH 411014	BFS-Ventures is engaged in the business of alternative investments in properties and start-ups.
3.	Bajaj Finserv Mutual Fund Trustee Ltd. (BFS-Trustee)	11 October 2021	Pune	S. No. 208/1B, Lohagaon, Viman Nagar Pune MH 411014	BFS-Trustee is the Trustee for the Bajaj Finserv Mutual Fund. They are entrusted with the responsibility of supervising the activities of asset management company and mutual fund and discharging other obligations under the SEBI (Mutual Fund) Regulations, 1996
4.	Bajaj Finserv Asset Management Ltd. (BFS-AMC)	18 October 2021	Pune	S. No. 208/1B, Lohagaon, Viman Nagar Pune MH 411014	The Company offers a host of innovative Mutual Fund products and solutions for every Indian. Currently its product suite includes equity, debt, hybrid, Index mutual funds and ETFs. With a future-focused and differentiated investment strategy, its ambition is to help every Indian achieve his/her financial goals.  Further, it carries out the business of managing various Mutual Fund Schemes as per the provisions of SEBI (Mutual Fund) Regulations, 1996.

Other subsidiaries of the Company include Bajaj Finserv Direct Ltd., Bajaj Financial Securities Ltd. (wholly owned subsidiary of BFL) and Vidal Healthcare Services Private Limited (wholly owned subsidiary of Bajaj Finserv Health Ltd.).

Details of material subsidiaries, including their performance, business, etc. is given in the [Management Discussion and Analysis](#).

Further, during the year under review, the Company has executed Share Purchase Agreements (SPAs) for the acquisition of 26% equity stake owned by Allianz in its insurance subsidiaries, viz. BAGIC and BALIC, with participation by the Promoter and Promoter group entities of the Company.

Pursuant to the above, the Company would be acquiring from Allianz, subject to approvals of the Competition Commission of India, Insurance Regulatory Development Authority of India and other customary approvals, 1.01% equity stake in each of the companies. Upon such acquisition –

- i. the Company would hold 75.01% of the paid-up equity share capital in each of BAGIC and BALIC;
- ii. the joint venture agreements between the Company and Allianz SE in respect of BAGIC and BALIC will stand terminated; and
- iii. the Company will cease to use the name and brand of Allianz.

The Company has also executed SPA for the acquisition of 50% equity stake owned by Allianz in Bajaj Allianz Financial Distributors Ltd. (BAFDL), a joint venture in which the Company owns 50% of the paid-up equity share capital.

No company became or ceased to be our subsidiary or joint venture company. The Company does not have any associate company.

Provisions under regulation 24 and 24A of SEBI Listing Regulations, with reference to the subsidiary companies were duly complied, to the extent applicable.

### Loans and advances

During FY2025, 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.

### Share Capital

The paid-up equity share capital as on 31 March 2025 was ₹ 159.67 crore consisting of 1,596,662,097 fully paid-up equity shares of face value of ₹ 1/-.

The Company has not issued any convertible securities and there are no outstanding convertible securities as on 31 March 2025.

### Utilisation of funds raised through Preferential Allotment/Qualified Institutions Placement

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.

### Related party transactions

All related party transactions ('RPTs') entered during FY2025 were in the ordinary course of business, at arm's length and not material under the Act and SEBI Listing Regulations. Prior approval of the Audit Committee was obtained for all RPTs entered during FY2025. Details of such transactions were placed before the Audit Committee for its noting and 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 is set out separately in this [Annual Report](#). Disclosures relating to RPTs are filed with the stock exchanges on a half-yearly basis.

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





During FY2025, there were no materially significant RPTs that may have had any potential conflict with the interest of the Company at large.

The policy on materiality of RPTs stipulating the threshold limits and also on dealing with RPTs which has been approved by the Board has been placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-and-dealing-with-related-party-transactions-v2pdf?scl=1&fmt=pdf>.



## Board constituted Committees




 Chairperson  

 Member

### Audit Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has an Audit Committee, which meets the composition requirement of a minimum of two-third of its members (including Chairman) being independent directors. All members are non-executive independent directors. Members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

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 and SEBI Listing Regulations.

The terms of reference of the Committee are in accordance with the Act and SEBI Listing Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review management letters/

letters of internal control weaknesses issued by the statutory auditors, if any, and review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The detailed terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/1.bfs-acm-torpdfpdf?scl=1&fmt=pdf>.

### Meetings and attendance

During FY2025, the Audit Committee met six times, viz., 26 April 2024, 24 July 2024, 23 October 2024, 30 January 2025, 17 March 2025 and 21 March 2025. Meetings were scheduled well in advance and not more than one hundred and twenty 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, representative of statutory auditors, cost auditor 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.

Dr. Naushad Forbes, Chairman of the Committee, was present at the Annual General Meeting (AGM) which was held on 24 July 2024 to answer members' queries.

### Changes in composition of Audit Committee during FY2025

The Board of Directors appointed Sanjiv Sahai as member of the Committee effective from 22 March 2025.

**Table 3: Composition of the Audit Committee and attendance record of the members for FY2025:**

Sr. No.	Name of director	Member of Committee since	Category	No. of meetings held during FY2025 (6)	
				Entitled to attend	Attended
1.	Dr. Naushad Forbes	13 September 2017	Chairman, Non-executive, independent	6	6
2.	Pramit Jhaveri	1 May 2022	Non-executive, independent	6	5
3.	Anami N Roy	1 April 2023	Non-executive, independent	6	6
4.	Sanjiv Sahai	22 March 2025	Non-executive, independent	-	-

During FY2025, the Board had accepted all recommendations of the Committee.

### Nomination and Remuneration Committee

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

The terms of reference of the Committee are in accordance with the Act and SEBI Listing Regulations. These broadly include formulation of criteria for determining qualifications, positive attributes and independence of a director, recommendation of persons to be appointed to the Board and senior management and specifying the manner for effective evaluation of performance of Board, its Committees, Chairperson and individual directors, recommendation of remuneration policy for directors, key managerial personnel and other employees, formulation of criteria for evaluation of performance of independent directors and the Board, devising a policy on Board diversity and such other matters as may be prescribed under the Act and SEBI Listing Regulations.

Detailed terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/2.bfs-tor-consolidated-nrcpdfpdf?scl=1&fmt=pdf>.

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

## Meetings and attendance

During FY2025, the Committee met four times, viz., 26 April 2024, 30 January 2025, 21 February 2025 and 21 March 2025.

Anami N Roy, Chairman of the Committee, was present at the AGM which was held on 24 July 2024 to answer members' queries.

**Table 4: Composition of the NRC and attendance record of the members for FY2025:**

Sr. No.	Name of director	Member of Committee since	Category	No. of meetings held during FY2025 (4)	
				Entitled to attend	Attended
1.	Anami N Roy	1 October 2021	Chairman, Non-executive, independent	4	4
2.	Dr. Naushad Forbes	1 October 2021	Non-executive, independent	4	4
3.	Manish Kejriwal	17 May 2019	Non-executive, non-independent	4	3
4.	Radhika Haribhakti	1 May 2022	Non-executive, independent	4	4

During FY2025, 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 evaluation of independent directors, *inter alia*, includes 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, 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.

The criteria is hosted on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/board-evaluation-criteria-v1pdf?scl=1&fmt=pdf>.

## Risk Management Committee

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

Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered Core Investment Company.

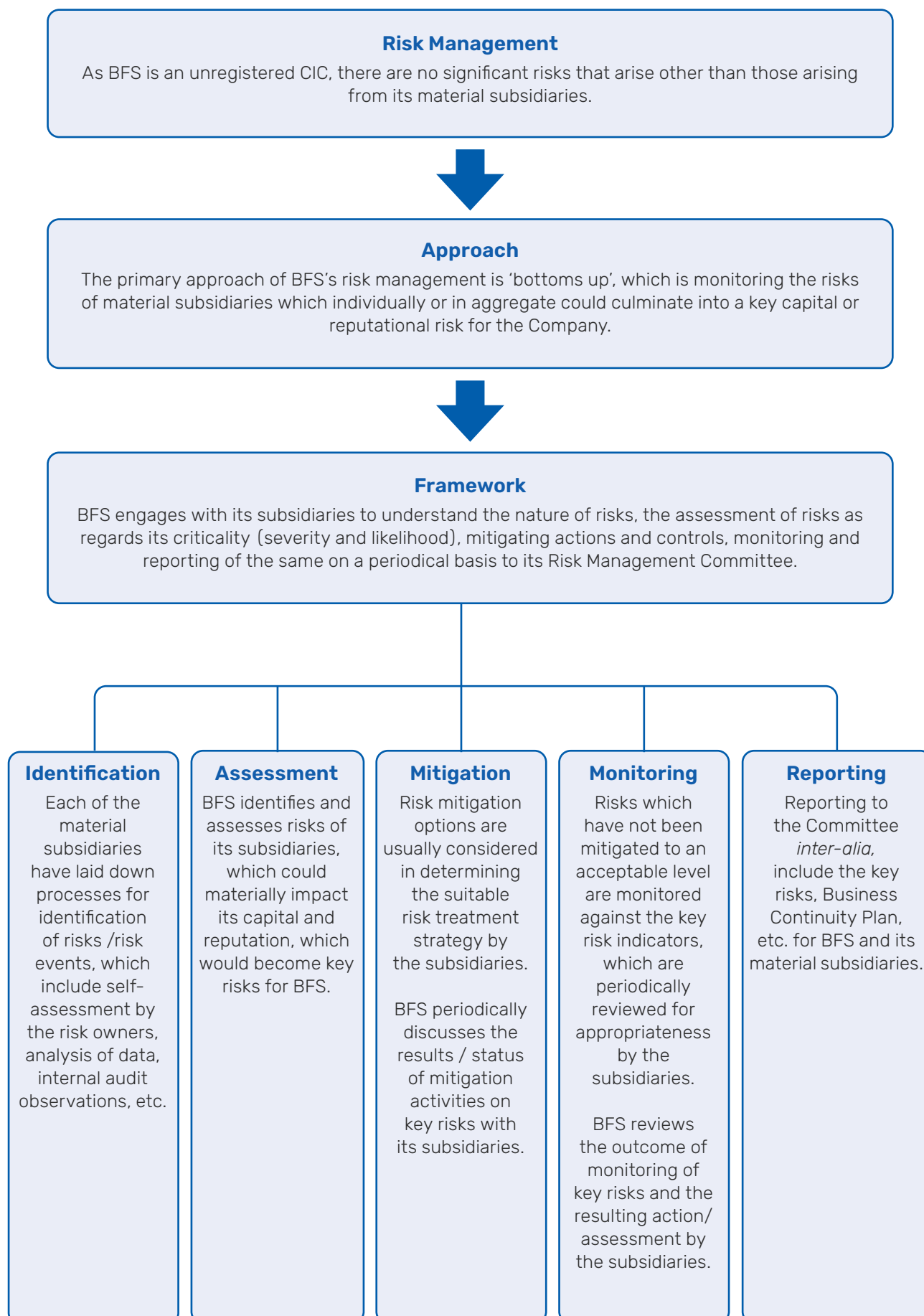
Hence, 90% of its net owned funds stand invested in group companies, of which 60% is in equity share capital and balance in debt of the group. Further, balance 10% of the net owned funds stand invested in money market instruments, which have a short-term maturity. Consequently, the risk to BFS stems largely from subsidiaries.

The terms and reference of RMC, *inter alia*, include formulation of a detailed risk management policy, ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company and its subsidiaries, monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems. At the RMC meetings, risks emanating from subsidiaries are discussed and reviewed in detail. The Chief Risk Officers (CROs)/Risk officers from the respective subsidiaries also participate at such meetings.

The detailed terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/3.bfs-tor-consolidated-rmcpdfpdf?scl=1&fmt=pdf>.

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



**Risk Management approach and framework are outlined below:**

## Meetings and attendance

During FY2025, the Committee met three times, viz., 26 April 2024, 13 September 2024 and 21 March 2025.

## Changes in composition of RMC during FY2025

Dr. Naushad Forbes stepped down as the Chairman of RMC effective 21 March 2025 (close of business hours). However, he continues to serve as a member of the Committee. The Board of Directors, appointed Pramit Jhaveri as Chairman of the Committee and Sanjiv Sahai as a member of the Committee, effective 22 March 2025.

**Table 5: Composition of the RMC and attendance record of the members for FY2025:**

Sr. No.	Name of director/ member	Member of Committee since	Category	No. of meetings held during FY2025 (3)	
				Entitled to attend	Attended
1.	Pramit Jhaveri	1 May 2022	Chairman, non-executive, independent	3	2
2.	Dr. Naushad Forbes	17 March 2020	Non-executive, independent	3	3
3.	Sanjiv Bajaj	14 October 2014	Executive, non-independent	3	3
4.	Sanjiv Sahai	22 March 2025	Non-executive, independent	-	-
5.	Anish Amin	17 May 2019	President-Group Risk, Assurance & Human Resource	3	3

During FY2025, the Board 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). This Committee specifically looks into the grievances of the equity shareholders of the Company.

The terms of reference of the Committee, *inter alia*, include resolving the grievances of the security holders including complaints related to transfer/transmission of shares, non-receipt of annual report, etc., approving issuance of duplicate share certificate (letter of confirmation) in lieu of original share certificate lost or misplaced, reviewing of measures taken for effective exercise of voting rights by shareholders, adherence to the service standards in respect of various services rendered by the Registrar and Share Transfer Agent ('RTA') and various measures and initiatives taken for reducing the quantum of unclaimed dividends. The terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/5.bfs-tor-consolidated-srcpdfpdf?scl=1&fmt=pdf>.

More details on this subject and on shareholders' related matters including unclaimed suspense account have been furnished in [General Shareholder Information](#).

## Meetings and attendance

During FY2025, the Committee met once on 21 March 2025. The Secretarial Auditor as well as the Company Secretary were present at the said meeting.

The Committee was apprised on the major developments on matters relating to investors. In addition, the Committee also considered matters that can facilitate better investor services and relations.

## Changes in composition of SRC during FY2025

Dr. Naushad Forbes stepped down as the Chairman of SRC effective 21 March 2025 (close of business hours). However, he continues to serve as a member of the Committee. The Board of Directors, appointed Radhika Haribhakti as Chairperson of the Committee effective 22 March 2025.

**Table 6: Composition of the SRC and attendance record of the members for FY2025:**

Sr. No.	Name of director	Member of committee since	Category	No. of meetings held during FY2025 (1)	
				Entitled to attend	Attended
1.	Radhika Haribhakti	1 May 2022	Chairperson, non-executive, independent	1	1
2.	Dr. Naushad Forbes	17 March 2020	Non-executive, independent	1	1
3.	Sanjiv Bajaj	30 January 2008	Executive, non-independent	1	1

Uma Shende, Company Secretary, acts as the Compliance Officer.

Dr. Naushad Forbes, Chairman of the Committee, was present at the AGM which was held on 24 July 2024 to answer shareholders' queries.

**Table 7: Details of the investor complaints received during FY2025:**

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 complaints pending at the end of the year
1	21	0	22	0

### Duplicate Share Certificate Issuance Committee

To meet the requirements of the Act and SEBI Listing Regulations, the Company had constituted a Duplicate Share Certificate Issuance Committee of the Board to approve the issuance of duplicate share certificate in lieu of original share certificate that were lost or misplaced.

During the year, Duplicate Share Certificate Issuance Committee was dissolved with the approval of the Board and its terms of reference were subsumed in SRC.

### Meeting and Attendance

During FY2025, the Committee met once on 21 March 2025.

**Table 8: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of the members for FY2025:**

Sr. No.	Name of Director	Member of committee since	Category	No. of meetings held during FY2025 (1)	
				Entitled to attend	Attended
1.	Sanjiv Bajaj	3 February 2016	Chairman, executive, non-independent	1	1
2.	Rajiv Bajaj	3 February 2016	Non-executive, non-independent	1	1
3.	Manish Kejriwal	17 March 2020	Non-executive, non-independent	1	1

### Strategic Investment Committee

To facilitate the Board with appropriate recommendations with respect to strategic investment the Company has in place a Strategic Investment Committee (SIC). The Committee comprises majority of independent directors. An Independent director chairs the meetings of the Committee. The role of the Committee is to evaluate investment opportunities in the nature of acquisition, takeover, and similar or like proposals, to approve further investments in securities of subsidiary companies, to monitor investments made in subsidiary/ associate/ JV companies and to discharge such other functions as may be assigned by the Board.

### Meeting and Attendance

During FY2025, the Committee met three times viz., on 23 October 2024, 17 March 2025 and 19 March 2025.

**Table 9: Composition of the Strategic Investment Committee and attendance record of the members for FY2025:**

Sr. No.	Name of member	Member of committee since	Category	No. of meetings held during FY2025 (3)	
				Entitled to attend	Attended
1.	Pramit Jhaveri	1 October 2023	Chairman, non-executive, independent	3	3
2.	Radhika Haribhakti	1 October 2023	Non-executive, independent	3	3
3.	Anami N Roy	1 October 2023	Non-executive, independent	3	3
4.	Sanjiv Bajaj	1 October 2023	Executive, non-independent	3	3

During FY2025, the Board had accepted all the recommendations of the Committee.

### Corporate Social Responsibility:

The Company has constituted a Corporate Social Responsibility (CSR) Committee in terms of the requirements of Section 135 of the Companies Act, 2013 read with the rules made thereunder.

The CSR policy framework is available on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/4.bfs-tor-consolidated-csrpdfpdf?scl=1&fmt=pdf>.

### Meeting and Attendance

During FY2025, the Committee met once on 28 May 2024.

**Table 10: Composition of the CSR Committee and attendance record of the members for FY2025:**

Sr. No.	Name of member	Member of committee since	Category	No. of meetings held during FY2025 (1)	
				Entitled to attend	Attended
1.	Dr. Naushad Forbes	17 May 2019	Chairman, non-executive, independent	1	1
2.	Anami N Roy	17 March 2020	Non-executive, independent	1	1
3.	Sanjiv Bajaj	27 March 2014	Executive, non-independent	1	1

During FY2025, the Board had accepted all the recommendations of the Committee.

### Remuneration of Directors

#### Pecuniary relationship/transaction with non-executive directors

During FY2025, there were no pecuniary relationship/transactions of any non-executive directors with the Company, other than receiving 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/remuneration-policy-v4pdf?scl=1&fmt=pdf>.



## Details of Remuneration of directors

The details of remuneration payable to all non-executive directors are provided in the Form MGT-7 ('Annual Return') which is hosted on the website of the Company and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

## Chairman & Managing Director

The tenure of Sanjiv Bajaj, Chairman & Managing Director (CMD) of the Company is of five years up to 31 March 2027 with a notice period of ninety days and is governed by a service contract. The same is in compliance with the applicable provisions of the Act. Salary and perquisites include all elements of remuneration and is entitled for performance incentives. There is no provision for payment of severance fees.

The remuneration of CMD is determined after taking into account various factors including:

- The profile of CMD including his standing amongst external stakeholders;
- The overall performance of the Company at consolidated level as well as those of its subsidiaries and the leadership, vision and execution rigour shown by him;
- His leadership in steering the group;
- New initiatives which help the Company to move towards becoming a comprehensive provider of financial services;
- His significant contribution as Chairman to the performance of the finance and insurance businesses;
- Salary of other senior executives across the Company and its subsidiaries;
- Initiatives taken at the group level strengthening Risk management, Human Resources, ESG initiatives/ reporting and Corporate Social responsibility;
- The remuneration drawn by him as Managing Director & CEO from Bajaj Holdings & Investment Ltd., which has close linkage with the business of the Company; and
- The remuneration paid by other companies of comparable size and profile as the Company and benchmarked with the help of an independent consultant.

The Company has not issued any stock options to him. He is entitled to superannuation benefits payable in the form of an annuity from an approved life insurance company, which forms part of the perquisites allowed to him.

Further details pursuant to section 197(14) of the Act, are furnished in [Directors' Report](#).

## 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 FY2025.

## Compliances regarding insider trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended (the '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 designated persons was observed, penalty was levied, and the amount was remitted to the SEBI stipulated fund.

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

The Audit Committee and the Board at its meeting held on 21 March 2025 had reviewed the compliance in terms of regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to the SEBI PIT Regulations are adequate and are operating effectively.

## Means of Communication

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

The Company's website <https://www.aboutbajajfinserv.com/about-us> under the section of 'investor relations', contains all important public domain information including press release on financial results, various policies and codes framed/approved by the Board, presentations made to the media, analysts and institutional investors schedule, transcripts and audio recordings of earnings call with investors, matters concerning the shareholders, etc.

All financial and other documents under the SEBI Listing Regulations are also communicated to the concerned stock exchanges, besides being placed on the Company's website.

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

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

Sr. No.	Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM	Voting percentage of shareholders participated		
				Particulars	%Favour	%Against
1.	15th AGM –Through VC Deemed Venue: Registered office	28 July 2022 at 12:15 p.m.	NIL			
2.	16th AGM –Through VC Deemed Venue: Registered office	27 July 2023 at 12:15 p.m.	NIL			Not Applicable
3.	17th AGM – Venue - Hotel Hyatt Regency, Viman Nagar, Pune - 411014	24 July 2024 at 12:15 p.m.	NIL			

The recording of AGM is hosted on the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-shareholders-information-annual-general-meeting-videos> and written transcript of the same can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

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

During the year under review, no special resolution was passed by way of postal ballot.

### C. Resolutions proposed to be conducted through Postal Ballot:

In accordance with the applicable provisions of the Companies Act, 2013 read with rules made thereunder and the General Circulars issued by the Ministry of Corporate Affairs, approval of the Members (through remote e- voting) has been sought vide Notice of Postal Ballot communicated to the shareholders on 17 April 2025, for the following Resolutions:

- Special Resolution for appointment of Sanjiv Sahai (DIN: 00860449) as an Independent Director for a term of five consecutive years w.e.f. 1 March 2025; and
- Ordinary Resolution for appointment of Rajeev Jain (DIN: 01550158) as a Non-executive and Non-independent Director of the Company w.e.f. 1 April 2025.

## 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 a facility to those members who have not registered their mail addresses.

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 & Managing Director and the voting results are announced by the Chairman & Managing Director by placing the same 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 receipt of duly completed postal ballot forms or remote e-voting.

### Details of capital market non-compliance, if any

The Company has complied with all applicable legal requirements. 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.

### Compliance Certificate

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

### Report on Corporate Governance

This chapter 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 during FY2025. The Company has been 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 Company has Board approved Policy in line with the requirements of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ('POSH Act'). The main objective of the Act is to provide:

- Protection against and prevention of sexual harassment of women at workplace
- Redressal of complaints of sexual harassment

The Company as an equal employment opportunity provides and is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company also believes that all employees of the Company have the right to be treated with dignity. Sexual harassment at the workplace or other than workplace, if involving employees, is a grave offence and is therefore, punishable.

Details as required under the POSH Act are as under:

Sr. No.	Particulars	No. of cases
1.	No. of Complaints filed during the year ended 31 March 2025	Nil
2.	No. of Complaints disposed of during the financial year	Nil
3.	No. of pending Complaints as on 31 March 2025	Nil

### Fees paid to Statutory Auditors

KKC & Associates LLP are the statutory auditors of the Company. Fees paid by the Company and its subsidiaries, on a consolidated basis, to KKC & Associates LLP including all entities in their network firm/entity of which they are a part, is given below:

Sr. No.	Particulars	Amount (₹)
1.	Statutory audit fees	9,115,000
2.	Other fees (including limited review, tax audit, out of pocket expense and other services)	4,912,597

## Senior Management

Details of Senior Management Personnel(s) (SMTs) as on 31 March 2025 and changes therein during FY2025 pursuant to provisions of schedule V(C)(5B) of the SEBI Listing Regulations are as follows:

Sr. No.	Name of SMTs	Designation	Change
1.	V Rajagopalan	President - Legal and Taxation	-
2.	S Sreenivasan	President (Insurance & Special Projects)	Ceased to be Chief Financial Officer and re-designated as President (Insurance & Special Projects) w.e.f. 1 February 2025
3.	Anish Amin	President - Risk, Assurance and Human Resource	-
4.	Purav Jhaveri	President - Investments	-
5.	Dr. N Srinivasa Rao	Chief Economist & President - Corporate Affairs	-
6.	Sam Subramaniam	President - Private Equity, Investments & Group Strategy	-
7.	Ramandeep Singh Sahni	Chief Financial Officer	Appointed w.e.f. 1 February 2025
8.	Uma Shende	Company Secretary	-

## Disclosure of certain types of agreements

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.

## Auditors' certificate on corporate governance

The Company has obtained a certificate from its statutory 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](#).

## 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.

[General Shareholder Information](#) containing requisite disclosures under Schedule V of SEBI Listing Regulations is annexed to this Report.



**Declaration by Chief Executive Officer (CMD)**

**[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 Finserv Ltd.

I, Sanjiv Bajaj, Chairman & Managing Director of Bajaj Finserv Limited 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 2025.

**Sanjiv Bajaj**

Chairman & Managing Director

29 April 2025  
Pune

# General Shareholder Information

## 18th Annual General Meeting (AGM)

Day and Date	Friday, 25 July 2025
Time	12.15 pm (IST)
Mode of AGM	In-person (Physical AGM)
Venue of the Meeting	Hotel Hyatt Regency, Opposite Weikfield IT Citi Info Park, Nagar Road, Viman Nagar, Pune – 411 014
Link to one-way live webcast	<a href="https://emeetings.kfintech.com/">https://emeetings.kfintech.com/</a>
Remote e-voting starts	Monday, 21 July 2025 9:00 am (IST)
Remote e-voting ends	Thursday, 24 July 2025 5:00 pm (IST)
E-voting at AGM	Friday, 25 July 2025
Financial Year ('FY')	1 April 2024 to 31 March 2025

## Tentative meeting schedule for financial reporting

The tentative months for meetings of Audit Committee and Board of Directors for consideration of standalone and consolidated financial results during the Financial Year 2025-26 are as follows:

Sr. No.	Particulars	Indicative Month
1.	Quarter ending 30 June 2025 (unaudited)	July 2025
2.	Quarter and half year ending 30 September 2025 (unaudited)	October/November 2025
3.	Quarter and nine months ending 31 December 2025 (unaudited)	January/February 2026
4.	Financial year / quarter ending 31 March 2026 (audited)	April 2026

In addition to the above, Board meetings are convened in the month of March and September to discuss strategy, operating plans and other matters. Additional committee meetings are also convened as and when deemed necessary.

## Registrar and Share Transfer Agent ('RTA')

In terms of regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') KFin Technologies Ltd. ('KFin') continues to be the Registrar and Share Transfer Agent and handles all relevant corporate registry services.

## Review of service standards adhered by KFin with respect to share related activities

The Company ('Bajaj Finserv', 'Bajaj Finserv Ltd.', 'BFS') has agreed service timelines and standards for various shareholder's related services with KFin. On an on-going basis, the secretarial team engages with officials of KFin at various levels for review of these standards and other share related activities. Periodic meetings and discussions are held for follow up on pending matters and review adherence to agreed time-lines for processing service request and deviations, if any, in said timeliness. In addition, the activities at KFin are also reviewed by the Stakeholders' Relationship Committee and internal audit team.

KFin has also established a dedicated Investor Cell to assist the Senior Citizens in redressing their grievances, complaints and queries. Senior Citizens wishing to avail this service have been provided with a designated email id i.e., [senior.citizen@kfintech.com](mailto:senior.citizen@kfintech.com).

## Share transfer system

All transmission, transposition, issue of Letter of Confirmation, etc., as well as requests for dematerialisation/rematerialisation are processed at KFin. The work related to dematerialisation / rematerialisation is handled by KFin through connectivity with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL').

In terms of SEBI Circular dated 16 March 2023, listed entities are required to issue shares in dematerialised form only while processing any service requests.

Therefore, few members who are still holding share in physical form are requested to dematerialise their shareholding.

### Dividend and date of payment

The Board of Directors have recommended a dividend of ₹ 1 per equity share (100%) of face value of ₹1 for FY2025, subject to approval of the members at the ensuing AGM.

Dividend on equity shares, if declared, at the AGM, will be credited/dispatched on or before Tuesday, 29 July 2025, to all eligible shareholders holding shares as of the end of the day on Friday, 27 June 2025 ('record date').

### Payment of dividend

The SEBI Listing Regulations read with SEBI circular dated 20 April 2018, require companies to use any electronic mode of payment approved by the Reserve Bank of India ('RBI') for making payment to members. Accordingly, the dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend payments are made through electronic mode, intimation regarding such remittance will be sent separately to the members.

In cases where the dividend could not be processed through electronic mode, it will be paid by account payee/non-negotiable instruments/warrants with bank account details printed thereon. In case of non-availability of bank account details, address of the members will be printed on such payment instruments.

In line with SEBI Circular dated 16 March 2023, read with SEBI circular dated 10 June 2024, it has been mandated that the security holders holding securities in physical form, whose folio(s) do not have PAN (Aadhar seeded) or contact details or mobile number or bank account details or specimen signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 1 April 2024, and shall be eligible to lodge grievance or avail any service request from the RTA only after furnishing PAN and KYC details.

In case of any of the aforesaid KYC has not been updated in respect of physical folios, dividend shall be paid only through electronic mode with effect from 1 April 2024, upon furnishing all the aforesaid details in entirety. After successful updation of the details, the security holder would receive all the dividends declared during that period (from 1 April 2024 till date of updation) in respect of the folio.

While, submission of 'Choice of Nomination' by the shareholders, holding shares in physical mode, has been made optional, shareholders are encouraged to submit their 'Choice of Nomination' to KFin to ensure seamless transmission of securities, in the event of death of claimant and to avoid hardships arising out of the procedural formalities involved in the transmission of securities.

For enabling payment of dividend through electronic mode, members holding shares in physical mode are requested to send Form ISR-1 along with requisite documents to KFin. The form can be downloaded from the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-investor-service-request> and KFin at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

Members holding shares in demat mode are requested to update their details with their the depository participant.

### Tax deducted at source ('TDS') on dividend

As per the provisions of the Income Tax Act, 1961 ('Act'), the final dividend, if declared and paid by the Company, will be taxable in the hands of the members. Accordingly, the Company would be required to deduct and paid by the Company, applicable TDS on dividend payment to members in accordance with provisions of the Act. For more details, members are requested to refer to the [Notice of AGM](#).

### Unclaimed dividend

As per section 124(5) of Companies Act, 2013 (the 'Act'), any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund' or 'IEPF') set up by the Central Government. Accordingly, unpaid/unclaimed dividends for FY2008 to FY2017 have already been transferred by the Company to the said Fund from FY2016 onwards.

The unpaid/unclaimed dividend for FY2018, shall be transferred to the Fund in September 2025. Members were requested to verify their records and send their claim, if any, for the said year, before such amount becomes

due for transfer. Communication in this regard was sent to members, who had not claimed dividend, requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

The following are the details of unclaimed dividends which are due to be transferred to the Fund in the coming years including current year:

Year	Dividend Type	Date of Declaration	Last date for claiming dividend	Date of transfer to fund (on or before)
2017-2018	Final	19 July 2018	18 August 2025	17 September 2025
2018-2019	Final	25 July 2019	24 August 2026	23 September 2026
2019-2020	Interim (Confirmed as Final)	21 February 2020	22 March 2027	21 April 2027
2020-2021	Final	21 July 2021	20 August 2028	19 September 2028
2021-2022	Final	28 July 2022	27 August 2029	26 September 2029
2022-2023	Final	27 July 2023	26 August 2030	25 September 2030
2023-2024	Final	24 July 2024	23 August 2031	22 September 2031

The Company has also hosted the details of unclaimed dividend, on its website at <https://www.aboutbajajfinserv.com/investor-relations-shareholder-services-unclaimed-dividend> and also on website specified by the Ministry of Corporate Affairs ('MCA') at <https://iepf.gov.in/login>.

### Initiatives for reduction of unclaimed dividend

The Company with a view to reduce the quantum of unclaimed dividend has been proactively reaching out to members by sending periodic communications, advising the members to claim their unclaimed dividend and remitting unpaid dividend, for KYC compliant folio(s). The amount is remitted based on the verification of the documents and bonafides of the claim. The Company will endeavour to undertake various initiatives in this regard.

### Initiatives for reduction of undelivered share certificates

The members of the Company, vide resolution passed through postal ballot on 2 September 2022, had approved sub-division of equity shares and issue of bonus equity shares. Subsequently new share certificates were issued to the members as on 14 September 2022 i.e., record date, as per their entitlement on that date.

However, a few of the new share certificates were returned undelivered by postal authorities and are lying with KFin.

Pursuant to the requirement of regulation 39(4) read with schedule VI of the SEBI Listing Regulations, any share/s issued by the Company which remains unclaimed shall be transferred by the Company to an 'Unclaimed Suspense Account'. Further, all corporate benefits accruing on such shares shall also be credited to such Unclaimed Suspense Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

The Company has, to avoid/ minimise the number of shares that would be transferred to Unclaimed Suspense Account, proactively approached to members, to take steps for re-transfer of shares where the requisite details were available. The Company will endeavour to undertake additional initiatives in this regard.

### Transfer of shares to IEPF

Pursuant to section 124(6) of the Act and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended (the 'IEPF Rules'), all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to Demat Account of the IEPF Authority by the Company within a period of thirty days of expiry of said seven years.

The Company also publishes a notice in newspapers intimating the members regarding the said transfer. These details are also available on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-shareholder-services-iepf-details>. In addition, Company has taken various steps to reach out to shareholders whose shares are due to be transferred to IEPF on account of not claiming dividend for a consecutive period of seven years.



During FY2025, the Company transferred 92,840 equity shares of face value of ₹ 1/- (previous year – 36,581 equity shares of face value of ₹1/-) in respect of 62 shareholders (previous year – 54 shareholders) to Demat Account of the IEPF Authority held with NSDL.

Members can claim such shares and unclaimed dividends transferred to the Fund by following the procedure prescribed under the IEPF Rules. As advised by MCA through its circular dated 19 July 2018, the Company has provided an access link to the refund webpage of IEPF Authority on its website at <https://www.aboutbajajfinserv.com/investor-relations-shareholder-services-iepf-details> to facilitate refund procedure for its investors/claimants. Members are requested to get in touch with the nodal officer/ deputy nodal officer for further details on the subject at [bfs.iepfnodalofficer@bajajfinserv.in](mailto:bfs.iepfnodalofficer@bajajfinserv.in).

### Dematerialisation/rematerialisation of shares and liquidity

During FY2025, 243,650 shares of face value of ₹ 1 were dematerialised. No share was rematerialised during FY2025. Shares held in physical and electronic mode as on 31 March 2025 are given in Table 1.

**Table 1: Shares held in physical and electronic mode:**

Particulars	Position as on 31 March 2025		
	No. of holders	No. of shares	% of total shareholding
<b>Demat:</b>			
NSDL	253,513	1,157,186,253	72.48
CSDL	472,127	435,295,573	27.26
<b>Sub-Total</b>	<b>725,640</b>	<b>1,592,481,826</b>	<b>99.74</b>
Physical	452	4,180,271	0.26
<b>Total</b>	<b>726,092</b>	<b>1,596,662,097</b>	<b>100</b>

### Liquidity

The equity shares of the Company are listed on BSE Ltd. ('BSE') and National Stock Exchange of India Ltd. ('NSE') and are frequently traded. The summary of average daily turnover in equity shares of the Company on both the stock exchanges for FY2025 is shown as below:

(₹ In crore)

Sr. No.	Name of the Stock Exchange	Average no. of shares traded on daily basis	Average value of shares traded on daily basis
1.	BSE	82,921	14.13
2.	NSE	1,797,646	308.79
	<b>Total</b>	<b>1,880,567</b>	<b>322.92</b>

The equity shares of the Company were not suspended from trading during the year on account of corporate actions or otherwise.

### Listing on Stock Exchanges and Stock Code

Name	Stock code for equity shares	Address
BSE	532978	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
NSE	BAJAJFINSV	Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (East), Mumbai – 400 051

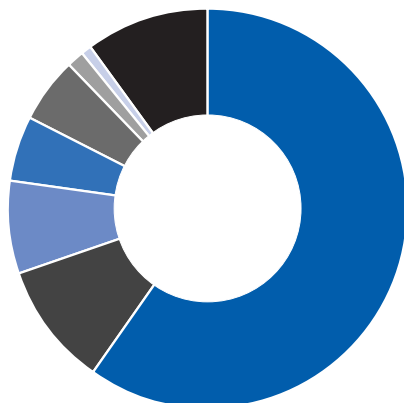
The International Securities Identification Number ('ISIN') for Depositories (NSDL and CDSL) in respect of equity shares is INE918I01026.

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2026.

## Distribution of Shareholding

Table 2 gives details about the pattern of shareholding across various categories, while Table 3 gives the data according to size classes.

**Table 2: Distribution of shareholding across categories as on 31 March 2025**



Category	% to capital
● Promoter and promoter group	60.64
● Resident Individuals	10.12
● Foreign Institutional Investor/ Foreign Portfolio Investor	7.52
● Bodies Corporate/ NBFC	5.21
● Mutual Funds/ Financial Institutions/ Banks	5.44
● Non-Resident Individual/Foreign National	0.89
● Alternate Investment Funds	0.09
● Others	10.09
<b>Total</b>	<b>100.00</b>

**Table 3: Distribution of shareholding according to size class as on 31 March 2025**

Category	No. of Members	% to total Members	No. of shares held	% to total Capital
1 - 1000	713,037	98.20	28,910,994	1.81
1001 - 5000	8,379	1.15	18,686,458	1.17
5001 - 10000	1,536	0.21	11,115,004	0.70
10001 - 100000	2,452	0.34	72,039,257	4.51
100001 - 500000	456	0.06	99,911,444	6.26
500001 - 1000000	93	0.01	68,333,642	4.28
1000001 and above	139	0.02	1,297,665,298	81.27
<b>Total</b>	<b>726,092</b>	<b>100.00</b>	<b>1,596,662,097</b>	<b>100.00</b>

## Credit rating

The Company has neither issued any debt instruments nor undertaken any fixed deposit programme or any scheme or proposal involving mobilisation of funds in India or abroad. As such, there are no credit ratings to be disclosed under regulation 34 read with schedule V to SEBI Listing Regulations.

## Shareholders' and investors' grievances

The Board of Directors of the Company have constituted a Stakeholders' Relationship Committee (SRC) to specifically look into and resolve grievances of shareholders. The Composition of SRC and details on investor complaints received during the year are given in [Report on Corporate Governance](#).

Given the overlapping functions between the Duplicate Share Certificate Issuance Committee ('DSCIC') and SRC, the responsibilities previously assigned to the DSCIC have been reallocated to SRC. Accordingly, SRC will authorise issuance of Letter of Confirmation ('LoC') to shareholders in lieu of duplicate share certificates as and when requested.

SEBI has released a FAQ in respect of various service request including the payment of dividend. The copy of said FAQs is hosted on Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/sebi-faqpdf?scl=1&fmt=pdf>.

**Choice of nomination in eligible demat accounts:** SEBI has issued various circulars from time to time for investors holding securities in demat mode to update their nomination details i.e., either opt in or opt out of nomination.

**Online Dispute Resolution (ODR) Mechanism:** In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated 31 July 2023, as amended from time to time, read with Master Circular no. SEBI/HO/OIAE/OIAE\_IAD-3/P/CIR/2023/195 dated 28 December 2023, introduced a common

Online Dispute Resolution ("ODR") mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

Under ODR mechanism, an investor shall first take up his/her/their grievance by lodging a complaint directly with the concerned Market Participant viz., Company. If the grievance is not redressed satisfactorily at the first phase, the investor may escalate the same through the SCORES Portal in accordance with the process laid out therein. ODR Mechanism provides a third level of escalation, if the investor is not satisfied with the resolution provided by the Company, the investor may initiate the dispute through the ODR portal within the timeframe prescribed under the circular. The ODR portal can be accessed at <https://smartodr.in/login>.

### Demat suspense account for unclaimed shares

In terms of the provisions of the SEBI Listing Regulations, the Company has a demat account titled 'Bajaj Finserv Ltd. – Unclaimed Suspense Account' with HDFC Bank Ltd., Pune, to which unclaimed shares were transferred.

Status of Unclaimed Suspense Account as on 31 March 2025 is given below:

Sr. No.	Particulars	No. of holders	No. of shares
1.	At the beginning of the year	1	70
2.	Transferred to IEPF	0	0
3.	Claimed during the year	0	0
4.	At the end of the year (4=1-2-3)	1	70

The Company, acting as a trustee in respect of the unclaimed shares, follows the modalities for the operation of the said account in the manner set out in regulation 39(4) of the SEBI Listing Regulations.

The shares lying in the aforesaid account will be transferred to the concerned member on lodging of the claim and after proper verification. Till such time, the voting rights on these shares will remain frozen.

### Certifications obtained from Practising Company Secretary

The Company has obtained following certifications by the Practising Company Secretary for share related matters, as per details given below:

Regulation	Frequency	Certificate Requirement
Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018	Quarterly	Reconciliation of the total issued capital, listed capital and capital held by Depositories in dematerialised form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital.

### Live webcast of AGM

Pursuant to regulation 44(6) of the SEBI Listing Regulations, top 100 listed entities shall, with effect from 1 April 2019, provide one-way live webcast of the proceedings of their AGM. Accordingly, the Company has entered into an arrangement with KFin to facilitate live webcast of the proceedings of the ensuing AGM scheduled on 25 July 2025.

Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on the website of KFin at <https://emeetings.kfintech.com/> using secure login credentials provided for e-voting.

### Outstanding convertible instruments/ ADRs/ GDRs/ Warrants

The Company does not have any outstanding convertible instruments/ ADRs/ GDRs/ Warrants as on date.

### Commodity price/foreign exchange risk and hedging activities

The Company, being a financial services company, is not directly exposed to commodity price/foreign exchange risk and hedging activities. Hence, no disclosure is required under regulation 34 read with Schedule V of the SEBI Listing Regulations.

## Plant Location

Bajaj Finserv Ltd. does not have any manufacturing plant.

## Address for Correspondence

Sr. No.	Particulars	Address	Purpose	Contact details
1.	Company	Corporate Office Extn. Secretarial Department 3rd Floor, Panchshil Tech Park, Viman Nagar, Pune – 411 014	General correspondence	Tel No.: (020) 7157 6064 Fax No. (020) 7150 5792 E-mail ID: <a href="mailto:investors@bajajfinserv.in">investors@bajajfinserv.in</a> Website: <a href="https://www.aboutbajajfinserv.com/about-us">https://www.aboutbajajfinserv.com/about-us</a>
2.	RTA	KFin Technologies Ltd. Unit: Bajaj Finserv Ltd. Selenium Building, Tower- B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana – 500 032	Equity related Matters  TDS related queries or documents	Toll Free No.: 1800 309 4001 E-mail ID: <a href="mailto:inward.ris@kfintech.com">inward.ris@kfintech.com</a> KFin Corporate Website: <a href="https://www.kfintech.com/">https://www.kfintech.com/</a> KFin RTA Website: <a href="https://ris.kfintech.com">https://ris.kfintech.com</a>

## Investor Support Centre

In view of SEBI Master Circular no. SEBI/HO/MIRSD/POD-1/P/CIR/2024/37 dated 7 May 2024, KFin has launched an online platform for shareholders. The same can be accessed at <https://ris.kfintech.com/default.aspx#>, select 'Investor Services' then go to 'Investor Support' for raising any service requests with KFin.

Members are requested to register / signup, using the Name, PAN, Mobile number and email ID. Post registration, user can login via OTP and lodge service request, ask questions/queries, raise complaints, check for the status of the folios, KYC details, dividend, meeting and e-Voting details.

Quick link to access the signup page: <https://kprism.kfintech.com/signup>.





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<sup>1</sup>The Return of Premium is the total of all the premiums paid under the base product, excluding any extra premium and taxes, if collected explicitly.

<sup>3</sup>Accidental Death Benefit is available with the Life Shield Plus variant | <sup>2</sup>Maturity Benefit is available with Life Shield ROP variant Above mentioned features/benefits are applicable only to Bajaj Allianz Life eTouch II. <sup>~</sup><https://bit.ly/3RdAwEz> | \*Term plan is a category of life insurance | ~Individual death claim settlement ratio FY- 2024-25.

**Risk Factors and Warning Statements:** Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz Life eTouch II are the names of the company and the product respectively and do not in any way indicate the quality of the product and its future prospects or returns. For more details on risk factors, terms and conditions please read sales brochure & policy document (available on [www.bajajallianzlife.com](http://www.bajajallianzlife.com)) carefully before concluding a sale. Bajaj Allianz Life eTouch II is A Non-Linked, Non-Participating, Individual Life Insurance Term Plan. Regd. Office Address: Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006, Reg. No.: 116, CIN : U66010PN2001PLC015959, Call us on toll free No.: 1800 209 7272, Mail us : [customercare@bajajallianz.co.in](mailto:customercare@bajajallianz.co.in), Bajaj Allianz Life eTouch II (UIN: 116N198V04. The Logo of Bajaj Allianz Life Insurance Co. Ltd. is provided on the basis of license given by Bajaj Finserv Ltd. to use its "Bajaj" Logo and Allianz SE to use its "Allianz" logo. All charges/taxes, as applicable, will be borne by the Policyholder.

BJAZ-PR-EC-15334/25

# Directors' Report

Dear Members,

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

## Sad demise of Madhur Bajaj

At the outset, your directors express their profound grief on the sad demise of Madhur Bajaj, who passed away on 11 April 2025. He served on the Board of the Company as a non-executive director from 10 May 2007 till the conclusion of the last AGM held on 24 July 2024.

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

- Bajaj Auto Ltd;
- Bajaj Electricals Ltd;
- Bajaj Finance Ltd;
- Bajaj Holdings & Investment Ltd; and
- Maharashtra Scooters Ltd.

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

## Company overview

Your Company ('Bajaj Finserv' or 'BFS' or the 'Company') was incorporated on 30 April 2007, and has its registered office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Pune - 411 035.

Pursuant to demerger of Bajaj Auto Ltd. in 2008, the undertaking comprising of windmills and investment in financial services were transferred to the Company. The shares of the Company were listed on the BSE Ltd. ('BSE') and National Stock Exchange of India Ltd. ('NSE') in the year 2008. The Company stood at 33 rank based on its average market capitalisation during the period from 1 July 2024 to 31 December 2024.

In accordance with the Core Investment Companies (Reserve Bank) Directions, 2016, as amended ("Directions") your Company is a Core Investment Company with an asset size of above ₹ 100 crore but not accessing public funds. Accordingly, it is not required to be registered under Section 45IA of the Reserve Bank of India Act, 1934 and is termed as 'Unregistered CIC'. Your Company continues to carry on the business permitted for Unregistered CIC. In terms of the Directions, the Company continues to invest 90% of its investment in the group companies of which 60% is in the form of equity investments. This allows a Group with homogenous businesses to operate under a common brand while participating in multiple opportunities through its subsidiaries. Accordingly, BFS, through its various subsidiaries provides a complete suite of financial solutions for customers which includes savings products, consumer and commercial loans, mortgages, securities brokerage services, general and life insurance and investments.

## Financial Results

The financial results of the Company are elaborated in the [Management Discussion and Analysis](#).

Highlights of the [standalone financial results](#) are as under:

Particulars	(₹ in crore)	
	FY2025	FY2024
Total Income	2,299.19	1,733.91
Total expenses	249.79	196.99
Profit before tax	2,049.40	1,536.92
Tax expense	490.53	366.86
<b>Profit for the year</b>	<b>1,558.87</b>	<b>1,170.06</b>
Basic earning per share ₹	9.8	7.3
Diluted earning per share ₹	9.7	7.3

Closing balances in reserve/other equity:

Particulars	(₹ in crore)	
	FY2025	FY2024
Securities premium account	1,315.63	1,098.48
General reserve	1,233.97	1,219.58
Share based payment reserve	570.72	436.37
Treasury shares	(63.91)	(104.31)
Retained earnings	5,155.88	3,759.44
<b>Total</b>	<b>8,212.29</b>	<b>6,409.56</b>

Note: Detailed movement of above reserves can be seen in 'Statement of Changes in Equity'.

Highlights of the consolidated financial results are as under:

Particulars	(₹ in crore)	
	FY2025	FY2024
Total income	133,822.12	110,383.00
Total expenses	110,091.90	89,016.06
Profit before tax	23,748.21	21,375.03
Tax expense	6,190.57	5,779.67
Profit after tax	17,557.64	15,595.36
Profit attributable to non-controlling interests	8,685.33	7,447.57
<b>Profit for the year</b>	<b>8,872.31</b>	<b>8,147.79</b>
Basic earnings per share (₹)	55.6	51.2
Diluted earnings per share (₹)	55.0	50.7

### Dividend Distribution Policy

Pursuant to the provisions of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the Company has formulated a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. As a part of the review process, the Board reviewed the dividend distribution policy and there were no changes to principles, criteria or parameters set out in the dividend distribution policy basis which dividend is recommended or declared.

The policy is available on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-policy-v1pdf?scl=1&fmt=pdf>.

### Dividend

For FY2025, your Directors recommend, for consideration of members at the ensuing annual general meeting (AGM), payment of a final dividend of ₹ 1 per equity share (100%) of face value of ₹ 1.

The dividend recommended is in accordance with the principles and criteria set out in the dividend distribution policy of the Company.

The dividend, if declared at the ensuing AGM, will be taxable in the hands of the members of the Company pursuant to Income Tax Act, 1961. For further details on taxability, please refer [Notice of AGM](#).

### Adoption of Confederation of Indian Industry (CII) charters

The Company has established the following policies, in line with the CII charters:

1. Model Code of Conduct for Ethical Business Practices
2. Charter on Fair & Responsible Workplace Guidelines for Collaborative Employee Relations
3. Charter on Fair & Responsible Workplace Guidelines for Contract Labour

The said policies are available on the website of the Company and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>.

## Operations

Detailed information on the operations and state of affairs of the Company and of its subsidiaries are covered in the [Management Discussion and Analysis](#).

The standalone total income for FY2025 is ₹ 2,299.19 crore as against ₹ 1,733.91 crore for FY2024, whereas the profit after tax for FY2025 stands at ₹ 1,558.87 crore as against ₹ 1,170.06 crore for FY2024.

The consolidated total income for FY2025 is ₹ 133,822.12 crore as against ₹ 110,383.00 crore for FY2024, whereas the consolidated profit after tax for FY2025 amounted to ₹ 17,557.64 crore as compared to ₹ 15,595.36 crore for FY2024.

## Governance of subsidiaries

Through structured institutional processes including appointment of qualified and competent members on the subsidiaries' board, your Company engages with its subsidiaries on long-term strategy, annual operating plans, corporate governance, risk management, financial controls, key policies related to employee and corporate conduct, employee well-being, remuneration policies and sustainability practices. Such engagement enables your Company to pursue its vision of becoming the first choice provider of financial services for every Indian. Your Company's Board and its Committees, oversee and monitor the activities of the other subsidiary companies. The Chairman and senior management of the Company devote substantial time in engagement and policy-making with the subsidiaries. As a practice, at each meeting of the Board/Committees, key elements of the businesses of the subsidiary companies and risks emanating from subsidiaries are discussed. Further, in line with the SEBI Listing Regulations, an independent director of your Company is on the Board of all its unlisted material subsidiaries.

## Subsidiaries, associates and joint venture

Following are the subsidiary and joint venture companies of the Company as at 31 March 2025:

Name of the Company	% of share holding
<b>A. Subsidiaries</b>	
Bajaj Allianz Life Insurance Company Ltd. (BALIC)*	74
Bajaj Allianz General Insurance Company Ltd. (BAGIC)*	74
Bajaj Finance Ltd. (BFL)*	51.39
Bajaj Finserv Direct Ltd. (BFS-D)	80.10
<b>B. Wholly-owned subsidiaries</b>	
Bajaj Finserv Health Ltd. (BFS-H)	100.00
Bajaj Finserv Ventures Ltd. (BFS-Ventures)	100.00
Bajaj Finserv Asset Management Ltd. (BFS-AMC)	100.00
Bajaj Finserv Mutual Fund Trustee Ltd. (BFS-Trustee)	100.00
<b>C. Step down subsidiaries</b>	
Bajaj Housing Finance Ltd. (BHFL) (subsidiary of BFL)*	-
Bajaj Financial Securities Ltd. (BFinsec) (100% subsidiary of BFL)	-
Vidal Healthcare Services Private Limited (VHC) (100% Subsidiary of BFS-H)	-
Vidal Health Insurance TPA Private Limited (100% Subsidiary of VHC)	-
VH Medcare Private Limited (100% Subsidiary of VHC)	-
<b>D. Joint Venture</b>	
Bajaj Allianz Financial Distributors Ltd. (BAFDL)	50
Bajaj Allianz Staffing Solutions Ltd. (BASSL) (100% subsidiary of BAFDL)	-
<b>E. Associates of subsidiary companies</b>	
Snapwork Technologies Private Ltd. {associate of BFL} (41.50**)	-
Pennant Technologies Private Ltd. {associate of BFL} (26.53**)	-

\*material subsidiary of the Company within the meaning of SEBI Listing Regulations.

\*\* On fully diluted basis for BFL.



Effective from 16 September 2024, the equity shares of BHFL, material subsidiary, are listed and admitted to dealings on the stock exchanges i.e., National Stock Exchange (NSE) and BSE Ltd.

The Company does not have any associate. Further, during FY2025:

- no new subsidiary was incorporated;
- BFS Health (wholly owned subsidiary of the Company) completed the acquisition of Vidal Healthcare Services Private Limited in April 2024, along with its wholly owned subsidiaries—Vidal Health Insurance TPA Private Limited and VH Medcare Private Limited;
- the Company did not enter into any joint venture arrangement; and
- no entity ceased to be an associate, subsidiary, or joint venture of the Company.

Information on the performance and financial position of subsidiary/joint venture of the Company are provided in Form AOC-1 of [consolidated financial statements](#).

The financial statements of the subsidiary companies are also available on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-material-subsidaries-v2pdf?scl=1&fmt=pdf>.

### Acquisition of equity stake in insurance subsidiaries from Allianz SE

The Company has executed Share Purchase Agreements (SPAs) for the acquisition of 26% equity stake owned by Allianz SE in its insurance subsidiaries, viz. Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC), with participation by the Promoter and Promoter group entities of the Company.

Pursuant to the above, the Company would be acquiring from Allianz SE, subject to approvals of the Competition Commission of India, Insurance Regulatory Development Authority of India and other customary approvals, 1.01% equity stake in each of the companies. Upon such acquisition:

- the Company would hold 75.01% of the paid-up equity share capital in each of BAGIC and BALIC,
- the joint venture agreements between the Company and Allianz SE in respect of BAGIC and BALIC will stand terminated, and
- the Company will cease to use the name and brand of Allianz.

The Company has also executed SPA for the acquisition of 50% equity stake owned by Allianz SE in Bajaj Allianz Financial Distributors Ltd. (BAFDL), a joint venture in which the Company owns 50% of the paid-up equity share capital.

The Bajaj Group remains committed to creating better access to insurance in India, greater financial resilience, and superior experience for our customers. Given the advantage of a single ownership in both insurance companies, the acquisition is expected to be a big driver of value for our stakeholders in the years to come.

### Conversion of warrants issued by Bajaj Finance Limited (BFL)

During FY2025, as per the terms and conditions of the preferential issue, the Company had opted for conversion of 1,550,000 warrants, issued by BFL, by remitting the remaining 75% of the price consideration i.e., ₹ 891.64 crore. Accordingly, BFL had allotted 1,550,000 equity shares of face value of ₹ 2/-. The shareholding of the Company in BFL, post conversion, stands at 51.39%.

### Conversion of loan given to Bajaj Finserv Direct Limited (BFSD)

During FY2025, the Company, based on the recommendations of Strategic Investment Committee and approval of Board, converted loan of ₹ 522.93 crore granted to BFSD into equity shares.

The shareholding of the Company in BFSD, post conversion of loan into equity, stands at 80.10%.

## Directors and Key Managerial Personnel

### A. Change in directorate:

#### i) Appointments:

##### **Sanjiv Sahai (DIN: 00860449)**

The Board, at its meeting held on 21 February 2025, based on the recommendation of Nomination and Remuneration Committee (NRC), appointed Sanjiv Sahai (DIN: 00860449) as an additional and independent director for a period of 5 consecutive years w.e.f. 1 March 2025. The Board is of the opinion that Sanjiv Sahai is a person of integrity, expertise, and has relevant experience to serve the Company as an independent director.

Sanjiv Sahai is exempted from requirements of clearing the online proficiency test pursuant to rule 6(4) of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended.

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

The Board, at its meeting held on 21 March 2025, based on the recommendation of Nomination and Remuneration Committee (NRC), appointed Rajeev Jain (DIN: 01550158) as an additional non-executive and non-independent director, liable to retire by rotation, effective from 1 April 2025.

Further, approval of the members for the aforementioned appointments are being sought through postal ballot notice dated 21 March 2025.

#### ii) Cessation:

##### **Madhur Bajaj (DIN: 00014593)**

He did not seek re-election at the last AGM held on 24 July 2024. Accordingly, he ceased to be a non-executive, non-independent director at close of business hours.

#### iii) Director liable to retire by rotation:

Manish Kejriwal retires by rotation at the ensuing AGM being eligible offers himself for re-appointment. Brief details of Manish Kejriwal, are given in the [Notice of AGM](#).

### B. Key managerial personnel ('KMP'):

Ramandeep Sahni was appointed as Chief Financial Officer and Whole Time KMP of the Company with effect from 1 February 2025, in place of S. Sreenivasan, who has stepped down from the position of Chief Financial Officer of the Company effective 31 January 2025 (close of business hours).

There were no other changes in KMP during the year. For details on changes in senior management, please refer [Report on Corporate Governance](#).

## 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 Companies Act, 2013 (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.

## Policy on directors' appointment and remuneration

Pursuant to section 178(3) of the Act and regulation 19(4) read with Part D of schedule II to the SEBI Listing Regulations, the Board has framed a Remuneration Policy. The said policy was reviewed on 21 March 2025 and no changes were proposed.

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.

The policy is directed towards a compensation philosophy and structure that will reward and retain talent and provides for a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The said policy can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-v4pdf?scl=1&fmt=pdf>.

As per the requirements of the SEBI Listing Regulations, details of all pecuniary relationship or transactions of the non-executive directors vis-à-vis the Company are disclosed in the [Report on Corporate Governance](#).

### Compliance with code of conduct

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

A declaration to this effect signed by the Chairman & Managing Director forms a part of this Annual Report.

### Annual Return

In compliance with section 134(3)(a) of the Act, a copy of the annual return as provided under section 92(3) of the Act in the prescribed form, which will be filed with the Registrar of Companies/Ministry of Corporate Affairs ('MCA'), is available on the website of Company and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

### Number of meetings of Board

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

### Directors' responsibility statement

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

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

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments 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 profits of the Company for FY2025;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

### Audit Committee

Sanjiv Sahai was inducted as a member of the Committee effective 22 March 2025.

The Audit Committee comprises of the following independent directors: Dr. Naushad Forbes (DIN: 00630825), Chairman, Pramit Jhaveri (DIN: 00186137), Anami N Roy (DIN: 01361110) and Sanjiv Sahai (DIN: 00860449). All members of the Committee are considered financially literate and are deemed to have necessary accounting or financial management related expertise in terms of SEBI Listing Regulations.

All the recommendations of the Audit Committee were accepted by the Board.

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

## Particulars of loans, guarantees or investments

During the year the Company has extended loan to BFS Health, a wholly owned subsidiary of the Company. Details of loans granted are provided in the notes to financial statements as required under the provisions of section 186 of the Act.

## Employee stock option scheme

The Company offers stock options to select employees of the Company & its subsidiaries, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the 'SBEB Regulations'), 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 employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour. This has contributed to the active involvement of the leadership and senior team who are motivated to ensure long-term success of the Company. Your Company has a group talent management programme which seeks to provide employees to work across group companies and thereby preparing them for future roles in a well-planned manner.

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 the focus on consistent long-term results.

Bajaj Finserv Limited Employee Stock Option Scheme ('BFS ESOS') is in compliance with the SBEB Regulations and there were no material changes in the scheme during the year. The same can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/esop-scheme-final-proof-readpdf?scl=1&fmt=pdf>.

A statement giving complete details as at the year ended 31 March 2025, in terms of regulation 14 of SBEB Regulations is available on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

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

The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2025.

## Capital Structure

The Authorised capital of the Company as on 31 March 2025 stood at ₹ 200 crore consisting of 200 crore equity shares of face value of ₹ 1.

During the year, the Allotment Committee allotted 1,173,284 equity shares of face value ₹ 1 to Bajaj Finserv ESOP Trust under the BFS ESOS, thereby increasing the paid-up capital from ₹ 159.55 crore consisting of 1,595,488,813 to ₹ 159.67 crore consisting of 1,596,662,097 fully paid - up equity shares.

During the year under review, there was no public issue, rights issue, bonus issue or preferential issue, etc.

## Related party transactions

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

All related party transactions entered during FY2025 were in the ordinary course of business, at arm's length and not material under the Act and SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

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

Details of transactions with related parties during FY2025 are provided in the notes to the financial statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this Report.

The policy on materiality of related party transactions and on dealing with related party transactions is hosted on the website of the Company and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-and-dealing-with-related-party-transactions-v2pdf?scl=1&fmt=pdf>.



## Succession planning

The Company has in place a succession planning framework to address anticipated as well as unscheduled changes in leadership. The said framework is re-evaluated and updated every year. The Company has several programmes through which high performing talent are identified. Series of journey of interventions and experiential environments are organised to develop their leadership qualities and skills. In line with the principles of governance, changes are planned from time to time in the Board of Directors, Committees and Top management as part of succession planning.

## Material changes and commitments

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

## Conservation of energy and technology absorption

The Company being an unregistered Core Investment Company, does not manufacture products and therefore, does not discharge effluents directly. However, the Company has windfarms in addition to its financial services activities which produce green energy.

### (A) Conservation of energy

#### 1. Commitment to Sustainable Operations

BFS remains steadfast in its commitment to the responsible use of natural resources and the continuous enhancement of environmental sustainability across its operations. Recognising the environmental impact of energy consumption, BFS prioritises energy conservation and operational efficiency.

In alignment with the ISO 14001:2015 certification of our Head Office, Bajaj Finserv House, Pune, we have undertaken several group-wide initiatives aimed at reducing our ecological impact and promoting sustainable practices. Key initiatives include:

- Deployment of energy-efficient technologies, including inverter and VRF air conditioning systems, modular UPS units, and Energy Star-rated equipment.
- Installation of eco-friendly air conditioning systems that are free from ozone-depleting substances.
- Planned deployment of Retro-Fit Emission Control Devices for diesel generators to mitigate particulate emissions.
- Planned implementation of the IGBC Net Zero Waste framework aimed to minimise waste generation by establishing robust processes for reduction, reuse, recycling, and green procurement. This initiative will foster a Net Zero Waste culture within the Bajaj Finserv House and support a broader cultural shift aligned with the sustainability goals of the new campus.
- Implementation of the Bajaj Finserv Vasundhara Sanvardhan Project, focused on composting organic waste generated at Bajaj Finserv House.
- Phased replacement of conventional lighting with energy-efficient alternatives, expected to result in significant energy savings and a reduction in carbon emissions.

These initiatives reflect our ongoing commitment to fostering a culture of environmental responsibility and minimising our ecological impact.

#### 2. Capital Investment in Environmental Protection Initiatives

- During FY2025, the Company invested approximately ₹ 0.97 crore in environmental protection initiatives.
- A detailed account of our energy conservation and sustainability measures is available in the [Business Responsibility and Sustainability Report](#), which forms part of this [Annual Report](#). The report can be accessed on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

#### 3. Steps taken by the Company for utilising alternate sources of energy:

- The Company has installed a renewable energy (wind) project with a capacity of 65.2 MW.
- During FY2025, it generated 841 lakh units, which it sold to third parties.

However, captive use is not possible without operative guidelines from the state Nodal agency despite Maharashtra Electricity Regulatory Commission's notification of Green Energy Open Access.

It is however relevant to note that Bajaj Finserv as Group generates more renewable energy through these windmills than is consumed by the group annually and hence is a net generator of renewable energy.

## **(B) Technology Absorption**

Being essentially an investment company, no particulars regarding technology absorption are provided considering the nature of operations of the Company.

## **Foreign exchange earnings and outgo**

During FY2025, the Company did not have foreign exchange earnings. The foreign exchange outgo in terms of actual outflow in FY2025 amounted to ₹ 371.43 crore, as against ₹ 1.59 crore in FY2024.

## **Risk management**

The Company has adopted a Risk Management Policy in accordance with the provisions of the Act and regulation 17(9) of the SEBI Listing Regulations. Managing risk is fundamental to financial services industry and it is key to ensure sustained profitability and stability. In a rapidly changing economic, geopolitical, regulatory and financial environment, your Company and its subsidiaries have continued to leverage on their strong risk management capabilities.

Risk to the Company stems largely from its subsidiaries. Hence, the primary approach of the Company's risk management is monitoring the risks of material subsidiaries, which individually or in aggregate could culminate into a key capital or reputational risk for the Company. The Company engages with the subsidiaries on a continuous basis to understand the nature of risks, the assessment of risks as regards its criticality (severity and likelihood), mitigating actions and controls, monitoring and reporting of the same on a periodical basis to its Risk Management Committee.

Information on the development and implementation of a Risk Management Policy for the Company is given in the [Management Discussion and Analysis](#). The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

## **Corporate social responsibility ('CSR')**

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

The CSR Committee comprises of three directors viz., Dr. Naushad Forbes (DIN: 00630825), Chairman, Sanjiv Bajaj (DIN: 00014615) and Anami N Roy (DIN: 01361110).

During FY2025, the Committee met once. Details of meeting and attendance thereat forms part of the [Annual Report on CSR activities](#).

The CSR obligation of the Company for FY2025 was ₹ 0.72 crore. As on 31 March 2025, total amount spent on CSR activities by Company was ₹ 0.73 crore.

Pursuant to Rule 8(1) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the [Annual Report on CSR activities](#) is annexed to this Report. Detailed information on CSR Policy, its salient features, details pertaining to spent and unspent amount, if any, forms part of [Annual Report on CSR activities](#).

The CSR policy is hosted on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-v6pdf?scl=1&fmt=pdf>.

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

## **Formal performance evaluation of the Board, its Committees and Directors**

Pursuant to section 178 of the Act, the NRC and Board have decided that the evaluation shall be carried out by the Board only and 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 the report of the performance evaluation, it shall be determined whether to extend or continue the term of appointment of independent director.

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

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

- The NRC at its meeting held on 30 January 2025, reviewed the criteria for evaluation of independent directors keeping in view emerging areas of Board deliberations, regulatory landscape and best practices. In line with the same criteria was revised. The said criteria are available on the website of the Company at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/board-evaluation-criteria-v1pdf?scl=1&fmt=pdf>.
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking confidential 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 2024-25 and a consolidated report thereof were arrived at.
- Other than Chairman of the Board and NRC, no other director has access to the individual ratings received by directors.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 21 March 2025.

Based on the report and evaluation, the Board and NRC at their respective meetings held on 21 March 2025, determined that the term of appointment of all independent directors may continue.

Details on the evaluation of Board, non-independent directors and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 21 March 2025, have been furnished in a separate paragraph elsewhere in this Report.

The process followed by the Company was reviewed by the NRC at its meeting held on 21 March 2025 which opined it to be compliant with applicable provisions.

### Significant and material orders by Regulators or Courts

During FY2025, no significant or material orders were passed by any regulator or court or tribunal, impacting the going concern status and Company's operations in future.

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

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

### 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 the presence of non-independent directors and members of the management.

Accordingly, independent directors of the Company met on 21 March 2025 and:

- noted the report of performance evaluation for the year 2024-25;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Board, taking into account the views of 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.

### **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 and directors 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 employees and directors to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy and leak or suspected leak of unpublished price sensitive information.

The concerns may be reported anonymously either through email or through a 'Confidential Feedback Mechanism', which is reviewed by an Enforcement Committee comprising senior management representatives from within the organisation. Pursuant to the Whistle-Blower Policy, a summary of incidents investigated, actioned upon, founded and unfounded are reviewed by the Audit Committee.

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 practice.

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-v2pdf-1?scl=1&fmt=pdf>.

### **Investor Education and Protection Fund ('IEPF')**

The details pertaining to the transfer of unclaimed dividend amount and shares to the IEPF have been provided in [General Shareholder Information](#), which forms part of this [Annual Report](#).

Uma Shende, Company Secretary is the Nodal Officer of the Company, appointed pursuant to rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.

Further, the Company has also appointed Deputy Nodal Officer to assist the Nodal Officer to, *inter alia*, verify the IEPF claim(s) and co-ordinate with the IEPF Authority.

Details of the same are available on the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-shareholders-information-investor-contact>.

### **Corporate governance**

Pursuant to 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 report on [General Shareholder Information](#).

The Chairman & Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations.

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

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

In accordance with the SEBI Master Circular dated 11 November 2024 and the amendments to the SEBI Listing Regulations, the top 1,000 listed entities by market capitalisation are required to submit the Business Responsibility and Sustainability Report (BRSR) as part of their [Annual Report](#).

SEBI has further introduced the BRSR Core, a focused subset of the BRSR comprising Key Performance Indicators (KPIs) across nine Environmental, Social, and Governance (ESG) attributes. As per the glide path outlined in the circular, the top 250 listed entities are mandated to obtain reasonable assurance on the BRSR Core as per the format prescribed by SEBI.



Accordingly, SGS India Pvt. Ltd., Board appointed assurance provider, has provided the following:

- Reasonable assurance for the BRSR Core, and
- Limited assurance for the remaining BRSR disclosures, in alignment with SEBI's requirements.

The BRSR, prepared in the format prescribed by SEBI, is annexed to the Company's Annual Report.

Additionally, the Company has adopted a Policy for Responsible and Sustainable Business Conduct. 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>.

### Maintenance of cost records

Provisions relating to maintenance of cost records as specified by the Central Government under section 148 of the Act, as applicable to the Company have been complied with for FY2025.

### Secretarial standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2), as amended, read with the MCA circulars.

### Internal audit

The internal audit is an integral part of corporate governance. The objective of internal audit is to identify, assess and mitigate risks as well as to evaluate and contribute to the systems of internal controls and governance processes followed by the Company. Key elements of internal audit are assurance on Controls, Governance and Compliance, Risk Assessment and its Mitigation and Process Optimisation.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee.

The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are discussed by the Audit Committee on a quarterly basis.

The Audit Committee periodically reviews the adequacy of the internal audit structure.

### Auditors

#### Statutory Auditors

KKC & Associates LLP (earlier known as Khimji Kunverji & Co LLP) (FRN 105146W/ W100621) continues to be the Statutory Auditors of the Company. They hold office for a period of 4 years upto the 19th AGM scheduled in the year 2026.

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

#### Secretarial Auditor

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

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

As per regulation 24A(1) of the SEBI Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Annual Report. In line with the same, the secretarial audit reports of BHFL, BALIC and BAGIC for the FY2025 are annexed to this Report and also placed on Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

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

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

## Appointment of Secretarial Auditor

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

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

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

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

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

## Cost Auditor

Pursuant to section 148 of the Act, and the Rules made thereunder, the Board of Directors, on the recommendation of the Audit Committee, have re-appointed Dhananjay V Joshi & Associates (firm registration no. 000030), Cost Accountants, to audit the cost records of the Company for FY2026.

A resolution seeking members' ratification for the remuneration payable to the Cost Auditor is included in the [Notice of AGM](#).

The cost audit report for FY2024, is unmodified i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

## Other Statutory Disclosures

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, be construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- The financial statements of the Company and its subsidiaries are placed on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.
- Details as required under 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 directors to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- Disclosure as required under section 197(14):

Sanjiv Bajaj (DIN: 00014615), who is also the Non-executive, Chairman of Bajaj Finance Ltd. and Bajaj Housing Finance Ltd. has been paid sitting fees and commission as follows:

		(₹ in crore)			
Sr. No.	Particulars	Sitting Fees		Commission	
		FY2025	FY2024	FY2025*	FY2024
1.	BFL	0.34	0.26	5.06	4.04
2.	BHFL	0.19	0.13	0.38	0.26

\*will be payable post adoption of financial statements for FY2025.

He is entitled for sitting fees and commission in line with the remuneration policy and as determined by NRC/ Board from time to time in BHFL and BFL. He does not draw any remuneration from any other subsidiary of which he is a non-executive director.

- 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, containing details prescribed under rule 5(3) of the said Rules, which form part of this Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.
- The auditors, i.e., statutory auditor, secretarial auditor and cost auditor have 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.
- The Company has a policy on prevention of sexual harassment at the workplace. The policy is gender neutral. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Details of the composition of the Committee is given in the said policy. The number of complaints received, disposed of and pending during FY2025 is given in the [Corporate Governance Report](#).

The policy can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harassment-at-workplace-v3pdf?scl=1&fmt=pdf>.

- There is no change in the nature of business of the Company during FY2025.
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code 2016 during FY2025 against the Company.
- The Company has not accepted any deposits covered under Chapter V of the Act during the year under review nor has ever accepted.
- 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.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013 and SEBI Regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations.
- During FY2025, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

## Acknowledgement

The Board places its gratitude and appreciation for the support and co-operation from its members and other regulators.

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 joint ventures and thanks them for yet another excellent year of performance.

On behalf of the Board of Directors

## Sanjiv Bajaj

Chairman & Managing Director  
DIN: 00014615

Place: Pune  
Date: 29 April 2025

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

## 1. Brief outline of Company's CSR Policy

### Introduction

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

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

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

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

### Guiding principles:

The Bajaj Group believes that social investments should:

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

### Brief Contents of 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 which was last reviewed by Board of Directors at its meeting held on the 21 March 2025. 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



**2. Composition of CSR Committee:**

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Naushad Forbes	Chairman, non-executive, independent	1	1
2.	Anami N Roy	Member, Non-executive, independent	1	1
3.	Sanjiv Bajaj	Member, Chairman of Board & Managing Director	1	1

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

Composition of CSR Committee	<a href="https://www.aboutbajajfinserv.com/people-and-committees-corporate-social-responsibility-committee">https://www.aboutbajajfinserv.com/people-and-committees-corporate-social-responsibility-committee</a>
CSR Policy	<a href="https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-v5pdf?scl=1&amp;fmt=pdf">https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policy-v5pdf?scl=1&amp;fmt=pdf</a>
CSR projects approved by the Board	<a href="#">Bajaj Finserv Investor Relations - Shareholders Information Investor CSR Projects</a>

**4. 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: Not Applicable**

- 5.** (a) Average net profit of the Company as per sub-section (5) of section 135 : ₹ 35.73 crore
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 0.72 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: ₹ 0.35 crore
- (e) Total CSR obligation for the financial year [(b)+(c)-(d)]: ₹ 0.37 crore
- 6.** (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project): ₹ 0.38 crore
- (b) Amount spent in Administrative Overheads: Nil
- (c) Amount spent on Impact Assessment, if applicable: Not applicable
- (d) Total amount spent for the Financial Year [(a)+(b)+(c)]: ₹ 0.38 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
0.38	Not applicable as there is no unspent amount				

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

Sl. No.	Particular	Amount (₹ In crore)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub-section (5) of section 135	0.72
(ii)	Total amount spent for the Financial Year	0.73
(iii)	Excess amount spent for the Financial Year [(ii)-(i)]	0.01
(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)]	-

- 7** Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years: Not applicable since there is no unspent CSR obligation.
- 8** Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: None
- 9** 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: Not applicable

Sd/-

**Sanjiv Bajaj**

Chairman & Managing Director

DIN:00014615

Sd/-

**Dr. Naushad Forbes**

Chairman of CSR Committee

DIN: 00630825

## Annexure to Directors' Report: FY2025

### Remuneration Details under Rule 5(1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31 March 2025

	Name of the Director/KMP	Ratio of remuneration of director to median remuneration of employees	% increase in the remuneration in FY2025
<b>(A)</b>	<b>Whole-time director/Managerial Personnel</b>		
	Sanjiv Bajaj – Chairman & Managing Director	122.75	18.30
<b>(B)</b>	<b>Non-Executive Directors<sup>1</sup></b>		
	Dr. Naushad Forbes	2.17	10.00
	Anami N Roy	2.07	16.67
	Radhika Haribhakti	1.58	6.67
	Pramit Jhaveri	1.68	0.00
	Sanjiv Sahai	0.20	Refer note 2
	Madhur Bajaj	Refer note 3	Refer note 3
	Rajiv Bajaj	0.69	40.00
	Manish Kejriwal	0.99	0.00
<b>(C)</b>	<b>Key Managerial Personnel</b>		
	Sanjiv Bajaj, Managing Director		18.30
	S Sreenivasan – CFO (upto 31 January 2025)		Refer Note 4
	Ramandeep Sahni – CFO (from 1 February 2025)		Refer Note 5
	Uma Shende, Company Secretary		13.05
<b>(D)</b>	% increase in the median remuneration of employees		1.25
<b>(E)</b>	<b>Permanent employees as on 31 March 2025</b>	126	-

#### Notes:

- Remuneration payable to Non-executive directors is based on the number of meetings of the Board and its Committees attended by them as members during the year. The amount of commission payable to non-executive directors is fixed at ₹ 300,000/- per meeting.
  - Remuneration to directors does not include sitting fee paid to them for attending Board/Committee meetings.
- Not comparable since appointed effective from 1 March 2025.
- Ceased to be director effective from 24 July 2024 close of business hours. Did not attend Board meetings held till July 2024.
- There is no % increase to the remuneration hence not applicable.
- Not comparable since appointed effective from 1 February 2025.
- 'Permanent employees' does not include trainees, probationers and contract employees.
- The variation reflected in column '% increase in remuneration in FY2025' is on account of number of Board/Committee meetings, attendance of directors thereat and change in committee positions

#### Notes on Disclosures under Rule 5

- Average percentage increase in salary of employees other than Whole-time Director increased is 14.24%.
- Percentage increase in remuneration of managerial personnel has been determined keeping in view his/her duties and responsibilities, the performance of the Company and trend of remuneration in industry.

# Form No. MR-3

## SECRETARIAL AUDIT REPORT

[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]

For the financial year ended 31st March, 2025.

To,  
The Members,

### **Bajaj Finserv Limited.**

(CIN: L65923PN2007PLC130075)  
Bajaj Auto Ltd. Complex,  
Mumbai-Pune  
Road, Pune-411035.

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

Based on my verification of the Company'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 authorised representatives during the conduct of Secretarial Audit, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner subject to the reporting made hereinafter:

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

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



- 6) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to unregistered Core Investment Company.

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

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

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including woman independent director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions were carried unanimously.

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

I further report that during the period the Company has

- a) allotted 1,173,284 Equity shares of ₹ 1/- each on 27/05/2024 under ESOP.
- b) had opted for conversion of 1,550,000 warrants, issued by BFL on 2 November 2023, by remitting the remaining 75% of the price consideration i.e., ₹ 891.64 crore. Accordingly, BFL had allotted 1,550,000 equity shares of face value of ₹ 2/- on 26 March 2025 to the Company as per the terms and conditions of the preferential issue. The shareholding of the Company in BFL, post conversion, stands at 51.39%.
- c) executed share purchase agreement between Allianz SE, Bajaj Allianz General Insurance Company Limited, and Bajaj Allianz Life Insurance Company Limited, whereby the Bajaj Group will buy 26% stake of Allianz in both the insurance Companies for a mutually agreed consideration. The acquisition of Allianz's stake, which is subject to regulatory approvals including approvals from the Competition Commission of India, IRDAI and other customary approvals.

Upon such acquisition,

- i. the Company would hold 75.01% of the paid-up equity share capital in each of BAGIC and BALIC,
- ii. the joint venture agreements between the Company and Allianz SE in respect of BAGIC and BALIC will stand terminated, and
- iii. the Company will cease to use the name and brand of Allianz.

The Company has executed Share Purchase Agreement (SPA) for the acquisition of 50% equity stake owned by Allianz in Bajaj Allianz Financial Distributors Ltd. (BAFDL), an associate company in which the Company owns 50% of the paid-up equity share capital.

I further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

**Shyamprasad D. Limaye**

FCS 1587 CP 572

UDIN : F001587G000228946

Place: Pune

Date: 29/04/2025

## Annexure to Secretarial Audit Report (Form MR-3)

To,  
The Members,

**Bajaj Finserv Limited,**

Bajaj Auto Ltd. Complex, Mumbai-Pune Road,  
Pune 411035.

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

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

**Shyamprasad D. Limaye**

FCS 1587 CP 572

Place: Pune

Date: 29/04/2025

# Secretarial Audit Report of subsidiary company (Form MR-3)

[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]

For the financial year ended 31 March 2025

To,  
The Members,

**Bajaj Allianz Life Insurance Company Limited,**

(CIN U66010PN2001PLC015959)

Bajaj Allianz House, Airport Road,  
Yerawada, Pune- 411006

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

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

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

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) Foreign Exchange Management Act, 1999 and the rules and regulations made there under regarding Foreign Direct Investment;
- 3) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
- 4) Rules, regulations, guidelines, circulars, and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a life insurance company.

The Company is a unlisted public company and subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that during the audit period there was no event / action having major bearing on the Company's affairs except execution of share purchase agreement between Allianz SE, Bajaj Finserv Limited and the Company, whereby the Bajaj Group will buy 26% stake of Allianz in the Company for a mutually agreed consideration. The acquisition of Allianz's stake, which is subject to regulatory approvals including approvals from the Competition Commission of India, IRDAI and other customary approvals, will increase Bajaj Group's ownership in the Company to 100% from the current 74%.

**Shyamprasad D. Limaye**

FCS 1587 CP 572

UDIN : F001587G000196980

Place: Pune

Date: 25/04/2025



## Annexure to Secretarial Audit Report of subsidiary company (Form MR-3)

To,  
The Members,

**Bajaj Allianz Life Insurance Company Limited,**

Bajaj Allianz House, Airport Road,  
Yerawada, Pune- 411006

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

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

**Shyamprasad D. Limaye**

FCS 1587 CP 572

Place: Pune

Date: 25/04/2025

# Secretarial Audit Report of subsidiary company (Form MR-3)

[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]

For the financial year ended 31 March 2025

To,  
The Members,

**Bajaj Allianz General Insurance Company Limited**

(CIN U66010PN2000PLC015329)

Bajaj Allianz House, Airport Road,  
Yerawada, Pune- 411006

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

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

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

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) Foreign Exchange Management Act, 1999 and the rules and regulations made there under regarding Foreign Direct Investment;
- 3) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
- 4) Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a general insurance company.

The Company is a unlisted public company and subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

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

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

I further report that during the audit period there was no event / action having major bearing on the Company's affairs except execution of share purchase agreement between Allianz SE, Bajaj Finserv Limited and the Company, whereby the Bajaj Group will buy 26% stake of Allianz in the Company for a mutually agreed consideration. The acquisition of Allianz's stake, which is subject to regulatory approvals including approvals from the Competition Commission of India, IRDAI and other customary approvals, will increase Bajaj Group's ownership in the Company to 100% from the current 74%.

**Shyamprasad D. Limaye**

FCS 1587 CP 572

UDIN : F001587G000196969

Place: Pune

Date: 25/04/2025

## Annexure to Secretarial Audit Report of subsidiary company (Form MR-3)

To,  
The Members

**Bajaj Allianz General Insurance Company Limited**

Bajaj Allianz House, Airport Road,  
Yerawada, Pune- 411006

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

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

**Shyamprasad D. Limaye**

FCS 1587 CP 572

Place: Pune

Date: 25/04/2025



# Form No. MR-3

## Secretarial Audit Report

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

For the financial year ended 31st March 2025.

To,  
The Members of,

### **Bajaj Housing Finance Limited,**

(CIN: L65910PN2008PLC132228)

Bajaj Auto Ltd. Complex, Mumbai-Pune Road,  
Akurdi, Pune-411035.

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

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

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

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

- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 6) Rules, regulations, directions and guidelines issued by the Reserve Bank of India/National Housing Bank as are applicable to the Company;
- 7) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

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

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

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

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

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

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

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

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

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

**Shyamprasad D. Limaye**

FCS 1587 CP 572

UDIN F001587G000177831

Place: Pune

Date: 23/04/2025

## Annexure to Secretarial Audit Report of Subsidiary company (Form MR-3)

To,  
The Members,

**Bajaj Housing Finance Limited,**

Bajaj Auto Ltd. Complex, Mumbai-Pune Road,  
Akurdi, Pune -411 035.

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

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

**Shyamprasad D. Limaye**

FCS 1587 CP 572

Place: Pune

Date: 23/04/2025

## Certificate by Practising Company Secretary

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

In the matter of Bajaj Finserv Ltd. (CIN: L65923PN2007PLC130075) having its registered Office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Pune - 411035.

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

I certify that the following persons are Directors of the Company (during 01/04/2024 to 31/03/2025) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Rahulkumar Bajaj	00014615	Chairman & Managing Director
2	Dr. Naushad Darius Forbes	00630825	Independent Director
3	Anami Narayan Prema Roy	01361110	Independent Director
4	Pramit Shashikant Jhaveri	00186137	Independent Director
5	Radhika Vijay Haribhakti	02409519	Independent Director
6	*Madhur Ramkrishnaji Bajaj	00014593	Non- Executive Director
7	Rajivnayan Rahulkumar Bajaj	00018262	Non -Executive Director
8	Manish Santoshkumar Kejriwal	00040055	Non-Executive Director
9	Sanjiv Nandan Sahai	00860449	Additional and Independent Director

\*Madhur Ramkrishnaji Bajaj (DIN: 00014593) retired as Director on 24/7/2024 (close of business hours) hence ceased to be the Director w.e.f. 25/07/2024.

### Shyamprasad D. Limaye

FCS. 1587 CP No. 572

UDIN: F001587G000228968

Place: Pune

Date: 29 April 2025



# Independent Auditors' Certificate on Corporate Governance

To the Members,  
Bajaj Finserv Limited

Certificate No.: 0636/2025/ShSh

## Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1. This certificate is issued in accordance with the terms of our engagement letter dated 30 July 2022.
2. We have examined the compliance of conditions of Corporate Governance by Bajaj Finserv Limited (the 'Company'), for the year ended 31 March 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

### Management's Responsibility:

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

### Auditor's Responsibility:

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements

### Opinion:

8. Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) and (t) of Regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations during the year ended 31 March 2025.
9. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **KKC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 105146W/W100621

**Ketan S Vikamsey**

Partner

Membership No: 044000

ICAI UDIN: 25044000BMOXIH7174

Place: Pune

Date: 29 April 2025

# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65923PN2007PLC130075	
2.	Name of the Listed Entity	Bajaj Finserv Ltd.	
3.	Year of incorporation	2007	
4.	Registered office address	C/o Bajaj Auto Limited Complex, Mumbai – Pune Road, Pune – 411035	
5.	Corporate address	6 <sup>th</sup> Floor, Bajaj Finserv Corporate office, off Pune-Ahmednagar Road, Viman Nagar, Pune – 411014	
6.	E-mail	<a href="mailto:investors@bajajfinserv.in">investors@bajajfinserv.in</a>	
7.	Telephone	+91 20 7150 5700	
8.	Website	<a href="https://www.aboutbajajfinserv.com/about-us">https://www.aboutbajajfinserv.com/about-us</a>	
9.	Financial year for which reporting is being done	2024-25	
10.	Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Ltd.	
11.	Paid-up Capital	₹ 159.60 crore	
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR Report	Name of the person	Ms. Uma Shende, Company Secretary
		Telephone Number	020 7157 6064
		Email ID	<a href="mailto:uma.shende@bajajfinserv.in">uma.shende@bajajfinserv.in</a>
13.	Reporting boundary	Consolidated basis, collectively referred to as ‘BFS group’ (For more details on entities considered for consolidation refer #23 below)	
14.	Name of assessment or assurance provider	SGS India Pvt. Ltd.	
15.	Type of assessment or assurance obtained	<b>BRSR Core:</b> Reasonable assurance (SEBI’s circular SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated 12 July 2023) <b>BRSR Comprehensive (excluding BRSR Core):</b> Limited Assurance	

### II. Products/services

#### 16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of main activity	Description of business activity	% of turnover of the Group
1	Financial and insurance services	Non-Banking Finance Company engaged in lending and allied activities	52%
2	Financial and insurance activities	Non-life Insurance Business	24%
3	Financial and insurance activities	Life Insurance	24%

#### 17. Products/Services sold by the group (accounting for 90% of the entity's turnover):

Sr. No.	Product/Service	NIC Code	% of total turnover contributed
1	Other Financial activities: Non-Banking Finance Company engaged in lending and allied activities	65923	52%
2	Non-Life Insurance Business	65120	24%
3	Life Insurance	65110	24%

### III. Operations

#### 18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants*	Number of Offices*	Total
National	Not applicable	5,381	5,381
International		2	2

\* Includes branches, representative offices, and corporate offices as on 31 March 2025

# Bajaj Finserv group provides financial services and does not undertake any manufacturing activities

#### 19. Markets served by the entity:

##### a. Number of locations

Location	Number
National (No. of States)	28 States and 8 Union Territories
International (No. of Countries)	2

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

BFS operations are largely concentrated within India. However, through its subsidiary Bajaj Finserv Health Ltd. a small proportion of services are rendered outside India which is less than 1% of the total revenue.

##### c. A brief on types of Customers

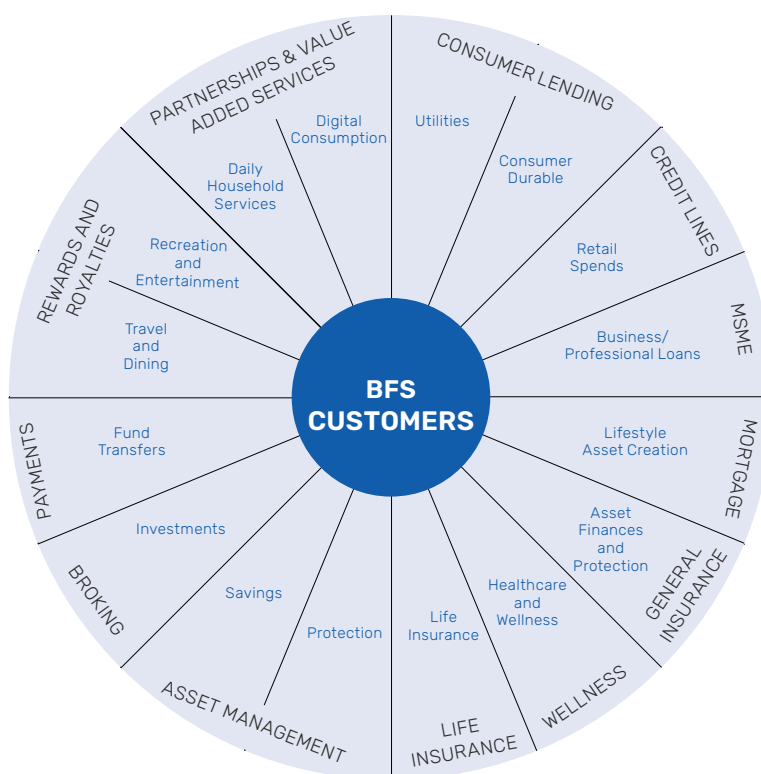
Bajaj Finserv group provides financial products and services to meet all financial lifecycle needs of its customers, be it Individuals (salaried and self-employed), SMEs, Corporates, the Government, Farmers, etc. as follows:

#### Customer Lifecycle Partner

Enablers through payments, rewards and partnership for granular and seamless customer experience

Savings and protection needs of the customers through Life Insurance coupled with securities business and the most recent asset management company

Health and wellness was a necessary component to add value to customer products and offerings



Created a strong market for consumer lending products for individual, households and MSMEs

Established strong data analytics to deepen wallet share and strengthen secured lending business

Simultaneously, general insurance built a strong market share in retail businesses

Objective: To be the financial services lifecycle partner to every Indian  
Create constant value across the customer lifecycle, build sustainable business

## Finance and Lending

- BFS participates in lending business through its 51.39% subsidiary—Bajaj Finance Ltd. (BFL). BFL also participates in the savings business by offering fixed deposits, mutual funds, and other similar financial products to its customers. BFL's customer franchise as on 31 March 2025 stood at 101.82 million. It has a strong geographic presence spread across 4,263 locations and 232,000 active distribution points. BFL acquired 18.18 million new customers in FY2025.
- BFL operates mortgage business through 88.75% subsidiary—Bajaj Housing Finance Ltd., which is engaged in various aspects of housing finance and development.
- BFL also has another 100% unlisted subsidiary called Bajaj Financial Securities Ltd., which is registered with the SEBI as a stockbroker and depository participant providing its clients a full suite of investment products and services in an all-in-one digital platform.

## Insurance

### • Non-Life insurance

BFS's non-life insurance (including health) participation is through its subsidiary **Bajaj Allianz General Insurance Company Ltd. (BAGIC)**, which is focused on retail segments (mass, mass affluent and HNI) and commercial segments {SME and MSMEs (Micro, Small and Medium Enterprises)}, while maintaining strong position in large corporate and government business.

It uses a strong multi-channel pan-India distribution network encompassing multiline agents, broking, bancassurance, direct and ecommerce network serving all segments of customers with an array of products including Motor, Health, Fire, Marine, Engineering, Liability, Travel, Personal Accident and Crop insurance.

Its 'Caringly Yours' approach helps it achieve the highest Net Promoter Scores and lowest Grievances across the industry, consistently.

BAGIC issued 48,269,241 policies during the year.

### • Life Insurance

BFS's Life insurance (including retirement) participation is through its subsidiary **Bajaj Allianz Life Insurance Company Ltd. (BALIC)**. BALIC maintains a most balanced pan-India distribution network across Agency, Bancassurance and Direct channel's, combined with an array of innovative products and features spread across Participating and Non-Participation (including Protection, Non-Par Savings, ULIPs and Annuities) lines of business.

Its strong focus on service and customer obsession has helped BALIC witness a solid growth in their number of customers, especially in the mass affluent and above segments.

Both these Companies are unlisted joint ventures with Allianz SE, one of the world's leading composite insurers.

BALIC covered 779,584 lives during the year.

## Others

- BFS through its subsidiary (80.10% held by BFS and 19.90% by BFL), **Bajaj Finserv Direct Ltd.** (BFSD/Bajaj Markets), has created a digital open architecture marketplace which offers range of financial products including loans, insurance, mutual funds, investments, lifestyle products, payments, and e-commerce.

Through its digital technology services business, BFSD also offers end-to-end services including design, development, implementation and support for digital technology solutions needs of customers.

- BFS through its another 100 % subsidiary, **Bajaj Finserv Health Ltd.** (Bajaj Finserv Health), a health tech 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 consumers' reach through products, networks, and technology.
- BFS offers mutual fund products to its customers through its asset management company, **Bajaj Finserv Asset Management Ltd.** (BFS AMC), a 100 % subsidiary. FY2025 was first full year of operations for BFS AMC.
- **Bajaj Finserv Ventures Ltd.** (BFSV) is another 100% subsidiary of BFS, which is an investment platform for (i) early to mid-stage venture capital investments and (ii) alternate class of assets.



## IV. Employees

### 20. Details as at the end of Financial Year:

#### a. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Employees						
1.	Permanent (D)	104,668	90,904	87%	13,764	13%
2.	Other than Permanent (E)*	111,142	80,374	72%	30,768	28%
3.	Total employees (D+E)	215,810	171,278	79%	44,532	21%

\* Refers to fixed term employees

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Workers						
4.	Permanent (F)	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Other than Permanent (G)	N.A.	N.A.	N.A.	N.A.	N.A.
6.	Total workers (F+G)	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. - Bajaj Finserv group does not have any workers across its locations.

#### b. Differently abled employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Employees						
1.	Permanent (D)	34	27	79%	7	21%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	34	27	79%	7	21%

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
Differently Abled Workers						
4.	Permanent (F)	N.A.	N.A.	N.A.	N.A.	N.A.
5.	Other than Permanent (G)	N.A.	N.A.	N.A.	N.A.	N.A.
6.	Total differently abled workers (F+G)	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. - Bajaj Finserv group does not have any workers across its locations.

### 21. Participation/Inclusion/Representation of women:

	Total (A)	No. and percentage of Females	
		No. (B)	% (B/A)
Board of Directors*	8	1	13%
Key Management Personnel**	3	1	33%

\* The data pertains to the Company as on 31 March 2025

\*\* Key Managerial Personnel are as defined under section 203(1) of the Companies Act, 2013

## 22. Turnover rate for permanent employees and workers

	FY2025 (Turnover rate in current FY)			FY 2024 (Turnover rate in current FY)			FY 2023 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24%	38%	26%	24%	35%	26%	25%	43%	27%
Permanent Worker	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. - Bajaj Finserv group does not have any workers across its locations.

## V. Holding, Subsidiary and Associate Companies (including joint ventures)

### 23. (a) Names of holding/subsidiary/associate companies/joint ventures:

Sr. No.	Name of the holding/subsidiary/associate companies/joint ventures (A)	Indicate whether holding/subsidiary/Associate/Joint Venture	% of shares held by Bajaj Finserv Ltd. as at 31-Mar-2025	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bajaj Finserv Ltd. (BFS)	Holding	-	Yes, Refer note
2	Bajaj Allianz Life Insurance Company Ltd. (BALIC) *	Subsidiary	74.00%	
3	Bajaj Allianz General Insurance Company Ltd. (BAGIC) *	Subsidiary	74.00%	
4	Bajaj Finance Ltd. (BFL) *	Subsidiary	51.39%	
5	Bajaj Finserv Direct Ltd. (Balance 19.9% shares are held by BFL)	Subsidiary	80.10%	
6	Bajaj Finserv Health Ltd.	Subsidiary	100.00%	
7	Bajaj Housing Finance Ltd. (88.75% Subsidiary of Bajaj Finance Ltd.) *	Subsidiary	-	
8	Bajaj Financial Securities Ltd. (100% Subsidiary of Bajaj Finance Ltd.)	Subsidiary	-	
9	Bajaj Finserv Mutual Fund Trustee Ltd.	Subsidiary	100.00%	
10	Bajaj Finserv Asset Management Ltd.	Subsidiary	100.00%	
11	Bajaj Finserv Ventures Ltd.	Subsidiary	100.00%	
12	Bajaj Allianz Financial Distributor Ltd.	Joint Venture	50.00%	
13	Bajaj Allianz Staffing Solutions Ltd. (100% subsidiary of Bajaj Allianz Financial Distributor Ltd.)	Joint Venture	-	
14	Vidal Healthcare Services Pvt. Ltd. (100% Subsidiary of Bajaj Finserv Health Ltd.)	Subsidiary	-	
15	Vidal Health Insurance TPA Pvt. Ltd. (100% Subsidiary of Vidal Healthcare Services Pvt. Ltd.)	Subsidiary	-	
16	VH Medcare Pvt. Ltd. (100% Subsidiary of Vidal Healthcare Services Pvt. Ltd.)	Subsidiary	-	
17	Snapwork Technologies Private Ltd. (Associate of Bajaj Finance Ltd.)		41.50%**	No
18	Pennant Technologies Private Ltd. (Associate of Bajaj Finance Ltd.)		26.53%**	No

\* Material subsidiary of the Company within the meaning of SEBI Listing Regulations.

\*\* On fully diluted basis

Note: The Company is a Core Investment Company (CIC) and has no business operations of its own except the Windmills (generating renewable energy) it has installed to fulfil its contribution to the Environment. Further, the Company through its Responsible and Sustainable Business Conduct Policy engages with and enjoins upon its group companies to participate in the responsible and sustainable business conduct.

While not mandatory, our insurance subsidiaries, BAGIC and BALIC, are among the first non-listed insurance companies in India to obtain a limited assurance of their BRSR reports and separate verification of their GHG emissions (Scope 1, 2, and 3) starting from FY2023.

## VI. CSR Details

24.	(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013: (Yes/No)	: Yes
	(ii)	Turnover (in ₹)	: 133,822.12 crore consolidated, 2,299.19 crore standalone
	(iii)	Net worth (in ₹)	: 70,607.76 crore consolidated, 8,435.80 crore standalone

## VII. Transparency and Disclosures Compliances

### 25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (if yes, then provide web-link for grievance redress policy)	FY2025			FY2024		
		Number of complaints		Remarks	Number of complaints		
		Filed during the year	Pending resolution at close of the year		Filed during the year	Pending resolution at close of the year	Remarks
Communities	Yes. Any queries or complaints can be shared by sending an email to: <a href="mailto:bfscommunity.grievance@bajajfinserv.in">bfscommunity.grievance@bajajfinserv.in</a>	NIL	NIL	NIL	NIL	NIL	NIL
Investors (other than shareholder-bondholders)	Yes. Any queries or complaints can be shared by sending an email to: <a href="mailto:investors@bajajfinserv.in">investors@bajajfinserv.in</a>	NIL	NIL	NIL	NIL	NIL	NIL
Shareholders	Yes. Any queries or complaints can be shared by sending an email to: <a href="mailto:investors@bajajfinserv.in">investors@bajajfinserv.in</a>	457	7	The pending cases as on 31 March 2025 will be subsequently resolved as per respective Company's policy and the defined turnaround time.	46	NIL	NIL
Employees and workers	Yes. Any queries or complaints can be shared by sending an email to: <a href="mailto:whistleblower@bajajfinserv.in">whistleblower@bajajfinserv.in</a>	NIL	NIL	NIL	NIL	NIL	NIL

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (if yes, then provide web-link for grievance redress policy)	FY2025			FY2024		
		Number of complaints		Remarks	Number of complaints		
		Filed during the year	Pending resolution at close of the year		Filed during the year	Pending resolution at close of the year	Remarks
Customers	Yes. Refer Bajaj Finserv Customer Care Service   Reach Us for Support section on: <a href="https://www.bajajfinserv.in/reach-us">https://www.bajajfinserv.in/reach-us</a>	13,425	8	The pending cases as on 31 March 2025 will be subsequently resolved as per respective Company's policy and the defined turnaround time.	12,547	16	Pending complaints as on 31 March 2024 have been suitably addressed in April, 2024
Value Chain Partners	Yes. Refer <a href="mailto:whistleblower@bajajfinserv.in">whistleblower@bajajfinserv.in</a>	11	2	The pending cases as on 31 March 2025 have been subsequently resolved as per respective Company's policy and the defined turnaround time.	NIL	NIL	NIL
Others (Government and Regulators)	Yes	NIL	NIL	NIL	NIL	NIL	NIL

As a principle, each company within the BFS group engages with its stakeholders according to its respective policies, practices, and processes. The BFS group aims to resolve any differences justly, fairly, equitably, and consistently, taking corrective measures when warranted. While some policies on stakeholder conduct and grievance mechanisms are publicly available on the respective companies' websites, others are internal documents (e.g., SOPs) and therefore not accessible to the public.



**26. Overview of the entity's material responsible business conduct issues**

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format:

Sr. No.	Material identified issue	Indicate whether risk or opportunity	Rationale for identifying. The risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications -positive or negative
1	Operational Eco-Efficiency	Opportunity	BFS and its group companies endeavour to reduce the overall environmental footprint of our operations. Optimising the use of natural resources can have business implications in terms of operational cost reduction and at the same time help organisations reduce waste generation.	N.A.	Positive
2	Human Rights	Opportunity	Businesses that properly address human rights issues are likely to have a more productive and more sustainable workforce and avoid legal, operational and financial risks.	N.A.	Positive
3	Data Privacy and Security	Risk	Information is a valuable asset regardless of its source and nature. The importance of information security, cyber security and fraud controls cannot be over-emphasised in this technological age. Security threats endanger customer data and disrupt business operations coupled with legal liabilities, regulatory investigations, financial penalties and damage to brand and reputation.	Led by a strong commitment to protecting the privacy of personal data, we have formulated a well-structured Data Privacy Policy framework and controls. The BFS group companies have institutionalised a cyber-security policy to protect its information infrastructure on the internet, prevent and respond to cyber threats, reduce vulnerabilities and minimise damage from cyber incidents. Strong governance processes are institutionalised with executive and Board oversight. Preparedness is tested for response to incidents. Awareness programmes and training are conducted timely.	Negative
4	Community Relations	Opportunity	To build a sustainable ecosystem for the underserved. To help them realise and grow their potential, ensuring social, and economic inclusion for every individual.	N.A.	Positive

<b>Sr. No.</b>	<b>Material identified issue</b>	<b>Indicate whether risk or opportunity</b>	<b>Rationale for identifying. The risk/opportunity</b>	<b>In case of risk, approach to adapt or mitigate</b>	<b>Financial implications -positive or negative</b>
5	Human Capital Development	Opportunity	We strongly believe that 'happy customers start with happy employees'. We value our people as they power our success. In line with this philosophy, at the BFS group, we are committed to attracting, engaging, and retaining the right talent, as it contributes to delivering a superior business performance. We are focused on creating a thriving, safe and inclusive workplace for employees, while keeping them engaged and providing opportunities for professional and personal development and growth.	N.A.	Positive
6	Promoting Health Safety and well-being	Opportunity	Beyond legal and financial considerations, promoting health, safety, and well-being is simply the right thing to do. It shows that the organisation values its employees as individuals. When employees feel safe and healthy at work, they are more likely to be engaged, motivated, and productive. This can lead to higher job satisfaction and lower turnover rates.	N.A.	Positive
7	Diversity Equity and Inclusion	Opportunity	At Bajaj Finserv Ltd., we seek to create an inclusive, equitable, culturally competent, supportive and safe environment where our employee's model behaviour enriches our workplace. We are committed to embedding equity and inclusion in all our people and business practices.	N.A.	Positive
8	Business Ethics and Transparency	Opportunity	Exercising ethical business behaviour in business presents opportunities for the following reasons: a. Helps build trust and credibility with stakeholders b. Promotes long-term sustainability and profitability c. Prevents reputational damage, legal problems and loss of business	N.A.	Positive

Sr. No.	Material identified issue	Indicate whether risk or opportunity	Rationale for identifying. The risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications -positive or negative
		Risk	Failure to serve customers with appropriate product offering or inappropriate conduct can lead to loss of trust and risk the reputation of the Company.	<p>The Groups philosophy of 'Customer Obsession' and 'Responsible growth' is a part of the culture wheel of the BFS group which emphasises the need to deliver fair value to customers, including selling products and offering services which meet societal needs and are in the interest of customers. The Board-level Customer Service/Risk Committees oversees all aspects relating to customers including fairness and right selling.</p> <p>BFS group companies follow a strict Code of Conduct (CoC) for its outsourced agents. The CoC prescribes stringent guidelines, such as maintaining privacy of prospective and existing customers, providing accurate product information, telemarketing etiquette, etc. The CoC for our outsourced agents is available on our website.</p>	Negative
9	Stakeholder Engagement	Opportunity	BFS group follows National Guidelines on Responsible Business Conduct principles when interacting with its stakeholders (employees, customers, vendors, etc.). Stakeholder engagement is a strategic necessity for ethical operation, risk management, strong relationships, and long-term sustainability.	N.A.	Positive
10	Corporate Governance	Opportunity	Adhering to proper governance practices carry substantial benefits, including strong reputation and building stakeholder trust.	N.A.	Positive

Sr. No.	Material identified issue	Indicate whether risk or opportunity	Rationale for identifying. The risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications -positive or negative
11	Risk Management	Risk	BFS group is exposed to credit, liquidity, operational, market and interest-rate risk and various other types of risk. The ability to manage various types of risks is critical to our sustainable growth.	At Bajaj Finserv group of companies, we are committed to managing risks within clearly defined parameters aligned with our established risk appetite frameworks. We assess risks using a structured framework that identifies, evaluates, mitigates, and monitors potential threats. This framework enables us to address risks that could materially impact our organisation or potentially hinder our business objectives and goals. Our proactive and anticipatory approach to identifying and addressing risks allows us to ace informed strategic decisions.	Negative
12	Innovation and digitisation	Opportunity	Technology-enabled seamless customer experience has been the hallmark of our businesses. Each of our business is unique; so is their approach toward enhancing customer experience. But the core objectives are our customer centric approach based on our digitisation efforts and simplification of processes, ease of use and quick and appropriate responses. In the technology age now, information security, cyber security and fraud controls have become extremely critical. This challenges us to continue innovating to address evolving customer requirements, drive efficiency and adapt our products to attract and retain customers. New technologies offer business opportunities.	N.A.	Positive
		Risk	Increasing volume of digital transactions require us to ensure availability and scalability of systems.  A mismatch in business and IT strategies can cause potential risk of elongated period of downtimes leading to operational and reputation risks.	The Company has been ahead of the curve in investing in technical upgradation/ adoption to enable it to respond to the changing technological changes. Dedicated tech and security teams in each of our companies are responsible for oversight over information technology strategy and policies and control frameworks. Our Disaster Recovery set up is ISO certified and backed by Business Continuity/Disaster Recovery drills.	Negative

Sr. No.	Material identified issue	Indicate whether risk or opportunity	Rationale for identifying. The risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications - positive or negative
13	Climate Strategy and Emission Management	Risk	Climate strategy and emissions management are crucial for businesses to manage operational and environmental risks, and contribute to a sustainable economy	<p>The Company, as a responsible corporate citizen, is conscious of direct and indirect impact of its operations on the environment. The Company is committed to reduce any negative impact on the natural environment and climate change. The Company endeavours to integrate sound environmental practices and governance systems in its day-to-day operations to minimise environmental impact.</p> <p>Business impact of natural calamities is addressed through robust underwriting which incorporates climate risk as its key element. External natural catastrophe models are used to avoid concentration to calamity prone geographies. Reinsurance programmes are effectively used to minimise impact of natural catastrophe.</p>	Negative
14	Sustainable Finance and Financial Inclusion	Opportunity	<p>Sustainable financing is not only important to address pressing environmental and social challenges but also for creating a more resilient, inclusive and prosperous future for all.</p> <p>All individuals and businesses across the country should have easy and seamless access to relevant and affordable financial products and services in a sustainable way. This is essential for them to meet their transactional, payment, saving, credit and insurance needs in a hassle-free manner.</p>	N.A.	Positive



## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
<b>Policy and management processes</b>									
<b>1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)</b>	Yes, BFS group has a policy covering all the principles named 'Responsible and Sustainable Business Conduct Policy'								
<b>b. Has the policy been approved by the Board? (Yes/No)</b>	Yes. The said Policy is approved by the Board. Further, the Policy is reviewed by the management periodically and the changes are put to the Board for their approval as applicable.								
<b>c. Web Link of the Policies, if available</b>	The 'Responsible and Sustainable Business Conduct Policy' along with other relevant policies/codes can be found at Annexure 1 - Codes and policies and are accessible through: <a href="https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes">https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes</a>								
<b>2. Whether the entity has translated the policy into procedures. (Yes/No)</b>	Yes. The Company has translated the policies and imbibed the same into procedures and practices of the Company, as applicable.								
<b>3. Do the enlisted policies extend to your value chain partners? (Yes/No)</b>	<p>Yes. The Company strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources.</p> <p>Our commitment is ensured through legal clauses in our contracts with vendors and service providers, which mandates adherence to high standards for human rights, non-discrimination, prohibiting forced/child labour, and environmental responsibility.</p> <p>Additionally, our largest subsidiary, BFL (contributing to over 50% of our revenue), has now implemented a comprehensive Supplier's Code of Conduct that extends to its value chain partners.</p>								
<b>4. Name of the national and international codes/certifications/labels/standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Truster) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.</b>	<p>All policies have been developed based on industry best practices or as per the regulatory requirements, and through appropriate consultation with relevant stakeholders. The group follows the standards listed below as a part of efforts towards health and safety:</p> <ol style="list-style-type: none"> <li>1. ISO 14001 – Environment Management System.</li> <li>2. ISO 45001 – Occupational Health and Safety.</li> </ol> <p>Additionally, following standards have been adopted by all material subsidiaries:</p> <ol style="list-style-type: none"> <li>1. ISO 27001: Information Security Management System and Business Continuity Management System</li> <li>2. ISO 22301: Business Continuity Management System</li> </ol> <p>In addition, many of our operational processes are ISO certified.</p>								
<b>5. Specific commitments, goals and targets set by the entity with defined timelines, if any.</b>	<ol style="list-style-type: none"> <li>1. Environment restoration through tree plantation- Planting 2 lakh tree saplings in FY2026.</li> <li>2. Improvised cook stove project to be undertaken across all material subsidiaries to minimise de-forestation and carbon footprint (CO<sub>2</sub>e emission reduction) in the environment while preventing the women in rural areas from the ill effects of the smoke generated by traditional cook stoves.</li> <li>3. Increase coverage of ISO 14001 (Environmental Management System) &amp; ISO 45001 (Occupational Health and Safety Management System) certifications across more than 40 locations.</li> </ol>								

Disclosure Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
	4.	Implementation of water tracking system (WTS) across 40 BFL locations.							
	5.	BFL to open 20 new Microfinance branches							
	6.	Investments –more than 80% applicable investment portfolio of insurance subsidiaries would be assessed for ESG by FY26. BALIC – 80% of applicable portfolio BAGIC – 90% of applicable portfolio							
	7.	In addition to the above goals, the Company endeavours to become carbon neutral in Scope 1 and Scope 2 emissions by FY2032 for which a decarbonisation activity has been undertaken with the help of an external consultant.							
6. Performance of the entity against the specific commitments, goals, and targets along-with reasons in case the same are not met.	1.	Bajaj Finance Ltd. to open 100 Micro Finance branches - During FY2025 Bajaj Finance Ltd. - Opened 218 Micro Finance branches against the commitment.							
	2.	BAGIC to open 20 branches in tier 2 and 3 towns (outside of top 50 cities where most industry business concentrated) - BAGIC & BALIC have opened 13 offices in tier 2 and tier 3 towns.							
	3.	Extension of Environment Health & Safety Management System to more owned offices – ISO 14001 and ISO 45001 certification received for BFS and BFL Head Offices. More offices in Pune shortlisted for certification which is underway. EHS manual has been implemented across PAN India offices.							
	4.	Environmental restoration through tree sapling plantations – More than 2 lakh tree saplings have been planted across all our material subsidiaries.							
	5.	Investments – more than 90% applicable investment portfolio of insurance subsidiaries would be assessed for ESG by FY2025 – More than 90% portfolio has been assessed.							
	6.	Decarbonisation strategy finalised for the group.							
Governance, Leadership and Oversight									
7. Statement by director responsible for the business responsibility Report, highlighting ESG related challenges, targets, and achievements (listed entity has flexibility regarding the placement of this disclosure):	Please refer to 'Message from the Chairman & the Managing Director' in the ESG Report available on the Company website – <a href="#">Bajaj Finserv Impact – ESG</a>								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name			Sanjiv Bajaj					
	Designation			Chairman & Managing Director					
	DIN			00014615					

Disclosure Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
9.	Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Yes, our approach to business responsibility is structured across multiple levels:  1. <b>Group-Level Committee:</b> Chaired by the CMD, this committee includes senior executives from group companies and material subsidiaries. It meets periodically to provide strategic direction on business responsibility matters.  2. <b>Material Subsidiaries:</b> Each material subsidiary has its own Board-approved policy. Their empowered executive committees monitor implementation and meet periodically to assess performance against business responsibility objectives.  3. <b>Aggregate Meetings:</b> These executive committees’ meetings are held throughout the year across the group to drive common ESG initiatives.  4. <b>Board of Directors Review:</b> The Company’s business responsibility performance is reviewed annually by the Board of Directors. Updates and discussions on sustainable and responsive business conduct initiatives take place during these meetings.  5. <b>ESG Risks:</b> The ESG risks of the Company and its material subsidiaries are discussed during the year in the respective Company’s Risk Management Committee of the Board.								
10. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company:										
Subject for Review		Indicate whether review was undertaken by Director/ Committee of the Board/Any other Committee  Frequency (Annually/ Half yearly/Quarterly/Any other – please specify)								
		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow up action		As a practice, all the policies of the Company are reviewed periodically (minimum annually) or on a need basis by Department Heads, Business Heads, Senior Management Personnel and placed before the Board of Directors as and when required. During this assessment, the efficacy of the policies is also reviewed and necessary changes to policies and procedures are implemented.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances		The Company complies with all applicable extant regulations and statutory guidelines. This is reviewed by the Board Annually.								
11.	Has the entity carried out independent assessment/evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
		The Company ensures all policies are reviewed internally by relevant department heads, domain experts, or committee members, as applicable. All policies are approved by the Board. Our Board, comprised of experts in financial services, customer behaviour, management and governance, technology, finance, and regulations, reviews these policies at least annually.								
12. If answer to question (1) above is 'No' i.e., not all Principles are covered by a policy, reasons to be stated:										
Questions		P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
The entity does not consider the principles material to its business (Yes/No)		As the answer to question above is ‘Yes,’ this question is not applicable.								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)										
The entity does not have the financial or/human and technical resources available for the task (Yes/No)										
It is planned to be done in the next financial year (Yes/No)										
Any other reason (please specify)										

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorised as 'Essential' and 'Leadership'. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

#### Essential Indicators

#### 1. Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	% of persons in respective category covered by awareness programmes
Board of Directors	2	Apart from BFS and its listed subsidiaries, which carry out familiarisation programmes for its Directors, as required under the SEBI Listing Regulations, even unlisted material subsidiaries on an ongoing basis keep their respective directors and KMPs abreast on matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.	100%
Key Managerial Personnel		<p>Please visit – <a href="#">Bajaj Finserv Investor Relations – Policies and Codes</a> for detailed policy on 'Familiarisation programmes'</p> <p>In addition to the above, the Board of Director's at its meeting held on 21 March 2025, were updated with BFS group initiatives encompassing the following:</p> <ol style="list-style-type: none"> <li>1. ESG focus areas.</li> <li>2. ESG assurance and Reporting</li> <li>3. ESG ratings</li> <li>4. ESG initiatives undertaken by the Group.</li> <li>5. Various policies aligned with ESG Reporting, implemented at the Group.</li> </ol>	100%
Employees other than BoD and KMPs	1	The BFS group invests significant time and resources in the training and development of its employees, to help them stay ahead of latest trends and technology. Further, for certain relevant topics periodical awareness programmes are carried out through emails, posters/banners (physical and digital) and other modes of internal communication.	100%
		Such training/awareness programmes are on array of topics, such as Code of Conduct, Ethics, Cyber Security, Data Privacy, Consumer Financial Protection, ESG Awareness, Bribery, Corruption and Fraud Prevention, Anti-Money Laundering, Employee Health and Safety, Insider Trading, Prevention of Sexual Harassment, Skill Upgradation, Business continuity management system, Functional Trainings, etc.	
Workers	N.A.	N.A.	N.A.

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2. Details of fines/penalties/punishment/award/compounding fees/settlement amount paid in proceedings (by the entity or by directors/KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/Fine	1	Bajaj Finance Ltd. - IRDAI	1 crore	With respect to reconciliation of commission and professional fees received and that reported to the authority in violations of Regulations-31 (3) and 23(g) of IRDA (Registration of Corporate Agents) Regulations, 2015.	No
			1 crore	With respect to maintenance of records of customer documentation in violations of Regulations-25 (2) (ix) and Para-I (4) of Schedule-VII of Regulations-25 (1), Regulations-26 (1) and Regulations-30 (ii) of IRDAI (Registration of Corporate Agents) Regulations, 2015.	No
Settlement	1-9	NIL	NIL	NIL	NIL
Compounding fee	1-9	NIL	NIL	NIL	NIL
Non-Monetary					
	NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions		Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	NIL	NIL		NIL	NIL
Punishment	NIL	NIL		NIL	NIL

3. Of the instances disclosed in Question 2 above, details of the Appeal/Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory/enforcement agencies/judicial institutions
NIL	NIL

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

BFS group maintains a zero-tolerance policy towards unethical business practices and strictly prohibits bribery in any form across all its business dealings through various policies, codes, and charters. This commitment to anti-bribery is consistently reiterated in the Code of Ethics and Personal Conduct (CoEPC), which is adopted across the Group. All full-time and part-time employees of BFS group companies are required to adhere to the principles of integrity and other responsible business conduct as outlined in the CoEPC.

These policies, codes and charters are available on Company's website (<https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>). Further material subsidiaries also have some of these policies, codes, and charters available on their respective websites.



**5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:**

P1

	FY2025	FY2024
Directors	NIL	NIL
KMPs	NIL	NIL
Employees	NIL	NIL
Workers	NIL	NIL

P2

P3

P4

P5

**6. Details of complaints regarding conflict of interest:**

P6

	FY2025		FY2024	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL

P7

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**7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.**

Not applicable. No corrective actions as no cases of corruption and conflicts of interest during the year under review.

**8. Number of days of accounts payables [(Accounts payable \*365)/Cost of goods/services procured] in the following format:**

	FY2025	FY2024
Number of days of accounts payables	35	46

**9. Open-ness of business provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances and investments, with related parties, in the following format:**

Parameter	Metrics	FY2025	FY2024
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	N.A.	N.A.
	b) Number of trading houses where purchases are made from	N.A.	N.A.
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	N.A.	N.A.
Concentration of sales	a) Sales to dealers/distributors as % of total sales	N.A.	N.A.
	b) Number of dealers/distributors to whom sales are made	N.A.	N.A.
	c) Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	N.A.	N.A.
Share of RPTs in	a) Purchases (Purchases with related parties/total purchases)	2.77%	2.89%
	b) Sales (Sales to related parties/total sales)	0.11%	0.11%
	c) Loans and advances (Loans and advances given to related parties/total loans and advances)	0.02%	0.02%
	d) Investments (Investments in related parties/total investments made)	0.21%	0.23%

**P1 Leadership Indicators**

P2	<b>1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:</b>		
P3			
P4			<b>%age of value chain partners covered (by value of business done with such partners) under the awareness programmes</b>
P5	<b>Total number of awareness programmes held</b>	<b>Topics/Principles covered under the training</b>	
P6	<b>Please refer the note below:</b>		
P7	BFS group strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources. Material group companies carry out awareness/training programmes for its value chain partners (especially agents and other intermediaries), depending on the business needs, stakeholder feedback and regulatory requirements covering various topics.		
P8	BFS group has conducted an awareness series for the stakeholders through social media channel to create awareness on ESG matters and encouraged them to uphold the same, as applicable.		
P9	Our insurance subsidiaries provide knowledge-based trainings to their agents which cover various topics such as ethics, professional conduct, anti-money laundering, functional and skill upgradation trainings.		
	During the year BAGIC our non-life insurance subsidiary has conducted a detailed ESG awareness session for all the identified strategic value chain partners.		
	Our commitment with value chain is ensured through legal clauses in our contracts with vendors and service providers, which mandates adherence to high standards for human rights, non-discrimination, prohibiting forced/child labour, and environmental responsibility.		
	Additionally, our largest subsidiary, BFL (contributing to over 50% of our revenue), has now implemented a comprehensive Supplier's Code of Conduct that extends to its value chain partners.		
	<b>2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.</b>		
	Yes.		
	BFS and group companies have zero tolerance towards unethical business practices and ensure adherence to relevant principles including conflict of interest.		
	The Company has a separate Code of Conduct (CoC) for Directors and Senior Management which provides that 'Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.'		
	This CoC also requires them to not to engage in any material business relationship or activity, that conflicts with their duties towards the Company. A declaration affirming this CoC by the Directors and Senior Management is taken annually.		
	Further a declaration is signed by the Directors during their appointments/reappointments, as an undertaking to the Code of Conduct and as disclosure of all possible conflicts of interest and related activities.		
	The Chairman & Managing Director of Bajaj Finserv Ltd. also declares in the Annual Report annually that all the board members and senior managerial personnel have affirmed compliance with the code of conduct.		
	In addition to the above, the BFS group CoEPC covers potential areas where conflict of interest may be encountered. It also provides specific guidelines on avoiding and dealing with conflicts of interest and the requirement to disclose potential conflicts of interest by employees.		
	These policies, codes and charters are available on Company's website ( <a href="https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes">https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes</a> ).		

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

P1

P2

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.
- P3
- P4

	FY2025	FY2024	Details of improvements in environmental and social impacts
R&D	N.A.	N.A.	Please refer the below note
Capex	N.A.	N.A.	

BFS group is engaged in financial services business. A large part of the capital expenditure incurred by the BFS group companies involves adoption of systems and processes that leverages Information technology and digitalisation.

Accordingly, investments were made by way of addition to capital assets in the form of IT infrastructure like equipment, software and communication networks to give impetus to the Company’s digital initiatives. The share of investments in R&D and capex on account of information technology was 67% (63% in FY2024) of total addition to fixed assets by the Company.

Multiple processes have been streamlined to enable the entire business cycle to improve on their customer servicing by switching to an online mode from a traditional offline setup. Customer interaction is facilitated using technology (Automation linked digitalisation) to reduce paperwork and reduction in operational costs that otherwise would have been incurred in physical interactions. Moreover, the Group continues to invest in EVs (Electric Vehicles) and rooftop solar plants, EV charging stations with other potential solutions aimed at reducing its environmental carbon footprint. On the other hand, it continues to scale up environment friendly businesses such as lending for and insuring EV’s, Solar equipment, etc. for enhancing the environmental impact.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)
- b. If yes, what percentage of inputs were sourced sustainably?
- No

The BFS group companies provide financial products and services. As such, they neither have a sizeable consumption of any raw material nor produce any tangible goods. Their activities are limited to providing financial solutions to serve the needs of the people. However, wherever feasible, the group tries to incorporate sustainable sourcing in its operations. It nurtures a culture of conservation of resources and encourages innovations that aid in reducing the dependence on natural resources. We have initiated programmes of green purchases across the group companies for the consumables we procure such as paper (printing paper), cleaning material, etc.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

The BFS group does not have any products or services that create hazardous waste.

Given the nature of our business, BFS group companies have limited scope to use recycled material as processed inputs. However, we do use recycled tissue papers at some of the corporate offices.

BFS group companies disposes e-waste (limited to old laptops, desktops, etc.) through registered vendors and have collected certificates of disposal from them. During the year, e-waste of 68.94 metric tonnes has been treated in a scientific and eco-friendly manner by certified vendors for safe disposal.

Additionally, we have initiated tracking our waste oil from DG Sets for our Head Office. 0.25 metric tonnes of waste oil have been disposed of with the assistance of a certified recycler as part of our sustainability policies and processes.

Further, as part of continuous effort for waste management and recycling, at our Head Office we have initiated an organic waste converter machine which recycled organic waste and produced approximately 12 metric tonnes of compost.

The BFS group has taken multiple initiatives for minimising usage of single-use plastic across all our businesses. The single-use plastic water bottles, which have been replaced with reusable water jars and glasses, across our offices.

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- 4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

No

Given the nature of our business, the Extended Producer Responsibility is not applicable to our businesses.

## Leadership Indicators

- 1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?**

NIC Code	Name of Product/Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
			Not applicable		

Given the nature of the BFS group's business operations, we don't offer any products or services that qualify for Life Cycle Perspective or Assessments (LCA).

- 2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective/Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.**

Name of Product/Service	Description of the risk/concern	Action Taken
	Not applicable.	

However, no other risks have been identified beyond those in Q.26 of 'section A – General Disclosures' above.

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).**

Indicate input material	Recycled or re-used input material to total material	
	FY2025	FY2024
	NIL	

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:**

	FY2025			FY2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
Plastics (including packaging)	Given the nature of the BFS group's business, this is not significant.					
E-waste	7.34	53.26	8.34	-	66.58	-
Hazardous waste (DG set waste oil)	N.A.	N.A.	0.25	-	1.17	-
Other waste (battery waste)	19.03	87.57	6.24	-	35.83	-
Other waste (Bio medical waste)	N.A.	N.A.	0.03	-	-	-
Other waste (Non-hazardous waste) – Dry and wet waste	-	-	31.1	-	-	-

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
	Not applicable.

**PRINCIPLE 3:** Businesses should respect and promote the well-being of all employees, including those in their value chains.

### Essential Indicators

#### 1. a) Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities*	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	90,904	90,904	100%	90,904	100%	0	0%	90,904	100%	90,904	100%
Female	13,764	13,764	100%	13,764	100%	13,764	100%	0	0%	13,764	100%
Total	104,668	104,668	100%	104,668	100%	13,764	13%	90,904	87%	104,668	100%
Other Than permanent employees**											
Male	80,374	80,374	100%	80,374	100%	0	0%	80,374	100%	80,374	100%
Female	30,768	30,768	100%	30,768	100%	30,768	100%	0	0%	30,768	100%
Total	111,142	111,142	100%	111,142	100%	30,768	28%	80,374	72%	111,142	100%

\* Wherever required under regulations, Day care facilities are provided

\*\* Being fixed term employees

#### b) Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Than permanent Workers											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. - Bajaj Finserv group does not have any workers across its locations.

#### c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY2025	FY2024
Cost incurred on well-being measures as a % of total revenue of the Company	0.11%	0.11%



P1 **2. Details of retirement benefits, for Current Financial Year and Previous Financial Year**

	FY2025			FY2024		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
<b>Benefits*</b>						
PF	100%	N.A.	Yes	100%	N.A.	Yes
Gratuity	100%	N.A.	Yes	100%	N.A.	Yes
ESI	100%	N.A.	Yes	100%	N.A.	Yes
NPS	100%	N.A.	Yes	100%	N.A.	Yes
Superannuation	100%	N.A.	Yes	100%	N.A.	Yes

\* These benefits are provided to all the employees who are eligible and have opted for the said retirement benefits.

N.A. - Bajaj Finserv group does not have any workers across its locations.

P3 **3. Accessibility of workplaces**

**Are the premises/offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:**

As a principle, the Company, through its 'Employee Charter and Human Rights Statement,' prohibits discrimination against any person with a disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and the Transgender persons (Protection of Rights) Act 2019.

The above policy is available on our website (<https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>)

Some of the corporate offices of the Group companies have ramps for easy movement and wheelchair-accessible restrooms for differently abled people. All new corporate office setups address the said requirement.

P4 **4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.**

The Company, through its 'Employee Charter and Human Rights Statement,' prohibits discrimination against any person with a disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016, and Transgender persons (Protection of Rights) Act 2019.

As enshrined in the 'Responsible and Sustainable Business Conduct Policy,' the Company provides remuneration and equal opportunities at the time of recruitment as well as during employment, irrespective of age, sex, colour, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, disease (viz. HIV/Aids) or any other status of individuals, thereby presenting an opportunity to excel and grow best suited to the individual's suitability and ability to perform the related work.

The above policies are available on our website (<https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>).

The Company endeavours to ensure a safe and secure work environment, so that employees can deliver their best without inhibition. The Company has put in place a robust Grievance Redressal process for investigation of employee concerns and has instituted a 'CoEPC' that clearly delineates employee responsibilities and acceptable employee conduct. Together, these constitute the foundation for promoting a diverse and inclusive culture at the workplace.

**5. Return to work and Retention rates of permanent employees and workers that took parental leave.**

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	98%	86%	N.A.	N.A.
Female	80%	88%	N.A.	N.A.
<b>Total</b>	<b>95%</b>	<b>87%</b>	<b>N.A.</b>	<b>N.A.</b>

N.A. - Bajaj Finserv group does not have any workers across its locations.

**6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.**

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent Workers	N.A.
Other than Permanent Workers	N.A.
Permanent Employees	Yes.
Other than Permanent Employees	<p>The BFS group fosters a fair, open, and transparent culture where employees can freely express their views. The Group transparently communicates its policies and practices, including company plans, compensation, performance metrics, performance pay structures/calculations, career development, and compliance.</p> <p>BFS group ensures employees can work without fear of prejudice, gender discrimination, or harassment, and maintains a zero-tolerance policy for any non-compliance with these principles.</p> <p>A formal grievance mechanism is available for employees to confidentially and anonymously report or raise concerns without fear of retaliation. Additionally, the 'CoEPC,' Whistle Blower Policy, 'Prevention of Sexual Harassment,' and other policies/charters detailed in the annexures provide explicit means for consultation on ethical issues.</p> <p>The above policies are available on our website (<a href="https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes">https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes</a>).</p> <p>Employees are encouraged to register any grievance they may have against any employee, agent, partner, and customer or report any breach of the Code of Conduct or any of the Company's policies at a given email address/internal portal of the respective companies. Similarly for grievances pertaining to sexual harassment, employees may also write to relevant given email address/internal portal of the Company. Any cases falling under the purview of the Whistleblower Policy or Senior Management Escalations are handled as per the Whistleblower Policy, which enables employees to freely communicate their concerns on illegal or unethical practices to the Chair of the Audit Committee.</p>

N.A. - Bajaj Finserv group does not have any workers across its locations.

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P1 **7. Membership of employees and worker in association(s) or Unions recognised by the listed**  
P2 **entity:**

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Category	FY2025			FY2024		
	Total employees/workers in respective category (A)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees/workers in respective Category (C)	No. of employees/workers in respective category, who are part of association(s) or Union (B)	% (D/C)
Total Permanent Employees	The Company does not have any employee trade unions and is not a party to any collective bargaining agreements, although it allows all employees to exercise their lawful right to 'freedom of association.'					
Male						
Female						
Total Permanent Workers	N.A.					
Male						
Female						

N.A. - Bajaj Finserv group does not have any workers across its locations.

**8. Details of training given to employees and workers:**

Category	FY2025					FY2024				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Employees										
Male	90,904	64,618	71%	84,818	93%	80,562	55,039	68%	72,578	90%
Female	13,764	5,069	37%	12,277	89%	11,517	7,725	67%	10,431	91%
<b>Total</b>	<b>104,668</b>	<b>69,687</b>	<b>67%</b>	<b>97,095</b>	<b>93%</b>	<b>92,079</b>	<b>62,764</b>	<b>68%</b>	<b>83,009</b>	<b>90%</b>
Workers										
Male	N.A.					N.A.				
Female										
<b>Total</b>										

N.A. - Bajaj Finserv group does not have any workers across its locations.

For health and safety, the BFS group trains its employees on safety protocols by conducting periodic training sessions on fire safety and evacuation drills. During the year, fire audits and drills were conducted as part of safety measures across all offices. Periodic awareness programmes are carried out through emails, posters/banners (physical and digital) and other modes of internal communication.

Additionally, during the year Environment, Health, and Safety manual was implemented at Head Office in Pune. ISO Certifications 14001:2015 and ISO 45001:2018 have also been completed for this office.

**9. Details of performance and career development reviews of employees:**

Category	FY2025*			FY2024*		
	Total (A)	No. (B)	% (B/A)	Total (D)	No. (E)	% (E/D)
Employees						
Male	67,847	67,847	100%			
Female	7,124	7,124	100%			
Total	74,971	74,971	100%		100%	
Workers						
Male	N.A.			N.A.		
Female						
<b>Total</b>						

\*Performance appraisal was conducted during the year for all the eligible employees as per policy

N.A. - Bajaj Finserv group does not have any workers across its locations.

**10. Health and safety management system:****a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?**

Yes,

Through our Environment, Health, and Safety Manual, BFS group is committed to providing a safe and healthy workplace to all its employees by minimising the risk of accidents, injury and exposure to health risks.

We have implemented EHS Policy across our group companies and have received ISO 14001:2015 and ISO 45001:2018 certifications for our Head office in Pune. Further, the EHS Management System has been implemented in the Head Office and is being implemented in more such own offices across India. The EHS manual has been implemented across the country in all offices.

BFS group also trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills. Periodical awareness programmes on health and safety related aspects is carried out through emails, posters/banners (physical and digital) and other modes of internal communication.

Physical and mental wellbeing of the employees is at the core of BFS group's human resource practices. Various campaigns and collaterals were released across group companies to spread awareness among the employees on the pandemic precautions and safety compliances.

The EHS manual is available on (<https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>).

**b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

BFS group provides financial services and does not undertake any manufacturing activity and hence, the applicability of certain occupational hazards and risk is limited.

The ISO 45001:2018 certification of our head office in Pune, ensures a structured approach to identifying work-related hazards, assessing both routine and non-routine risks, and fostering a culture of continual improvement in occupational health and safety practices.

Additionally, BFS group has designed and adopted EHS manuals and procedures to cover environmental aspects and health and safety risks that the facility/property can control and directly manage. Furthermore, for entities that the Group does not directly control or manage but can reasonably be expected to influence, an Environment, Health, and Safety (EHS) Manual has been developed and shared with EHS leaders and champions. This is intended to promote knowledge sharing and raise awareness through effective dissemination. The EHS manual has been implemented across all offices nationwide.

P1 There are no product risks but there are those related to the provision of services like ergonomics  
P2 in workplace as well as those associated with the operation of utilities, indoor air quality, lift/elevator  
safety, fire safety procedures, personnel protective equipment, signages, etc.

**P3** Further, our risk assessment also periodically covers incidents that have been noted and immediate  
steps are taken to mitigate the associated risks.

P4 During the year, no such instances have been noted which necessitated further action.  
P5 The applicable processes have been briefly described in 'a' above.

P6 **c) Whether you have processes for workers to Report the work-related hazards and to remove  
themselves from such risks. (Y/N)**

P7 No. Not Applicable. The Company does not have any workers.

P8 **d) Do the employees/worker of the entity have access to non-occupational medical and  
healthcare services? (Yes/No)**

P9 Yes. BFS group has insured its employees under group term insurance, health insurance and  
accidental insurance policies.

## 11. Details of safety related incidents, in the following format:

Safety Incident/Number	Category	FY2025	FY 2024
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
No. of fatalities	Employees	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL

## 12. Describe the measures taken by the entity to ensure a safe and healthy workplace:

Our standard health and safety measures across our offices include:

- Safety trainings: Employees are provided comprehensive safety training to educate them about potential fire hazards and ensuring use of safety equipment during emergency. First-aid trainings sessions are also undertaken to reduce & prevent workplace injuries.
- Periodic checks by Infra personnel: Periodic inspections of the workplace are carried out to identify and address any safety hazards.
- Safety equipment: The premises have appropriate safety equipment and the same are tested frequently. These include fire alarm system, portable fire extinguishers, sprinklers, fire hydrants, smoke mask, wheelchairs, and staircase evacuation chairs.
- Emergency plans: Clear procedures including fire drills and evacuation plans have been established for responding to emergencies in all large offices.
- Compliance with regulation: We ensure compliance with relevant health and safety regulations and standards set by regulatory authorities.
- Communication: On an ongoing basis, email communications and advisories are circulated to maintain a healthy workplace environment. Especially during periods of heightened illnesses in certain geographies
- Health programmes such as free medical check-ups, wellness sessions, etc. are undertaken to promote physical and mental health among employees.



**13. Number of Complaints on the following made by employees and workers:**

	FY2025			FY2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL	NIL	NIL	NIL	NIL
Health and Safety	NIL	NIL	NIL	NIL	NIL	NIL

**14. Assessments for the year:**

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	No assessment has been done by statutory authorities or third parties, while the Companies have been compliance with all applicable laws. BFS group strives to maintain a safe, hygienic, and humane workplace environment, upholding the dignity of its employees. Across the Group, several offices are periodically assessed internally through surveys, audits, visits, and other methods to evaluate various aspects of health and safety measures and related working conditions, as highlighted in point 12 above.  Furthermore, as part of the implementation of the EHS Management System at our Head Office in Pune, an external assessment of health and safety practices and working conditions was conducted, against which ISO 14001:2015 and ISO 45001:2018 certifications were achieved. The EHS manual has been implemented across all offices nationwide.
Working Conditions	

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health and safety practices and working conditions:**

During FY2025, BFS group did not necessitate any significant corrective actions related to above parameters. We treat every safety incident with the utmost care, and our process ensures that each one involves:

- Identifying the root cause of the incident.
- Implementing measures to mitigate any immediate risks arising from the incident.
- Implementing corrective actions to prevent the recurrence of similar incidents.
- Reviewing and updating safety procedures, protocols, and training to enhance prevention and response measures.

**Leadership Indicators****1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N)? (B) Workers (Y/N).**

Employees: Yes. the Group companies extend various support and compensatory package in the event of death of permanent employees. Each company within the Group has its own support programs, some of which include full month's pay with recovery waivers, iCare fund release (a pool created to benefit employees and their relatives in times of health/death related exigencies), Group Term Life insurance assured amounts, Personal accident cover (if applicable i.e. death due to accident) and all retiral benefits (such as Gratuity, PF, EDLI, etc.)

In the event of an employee's death, gratuity is paid regardless of their tenure, calculated from their joining date until the age of 60.

An opportunity of employment is also extended to the spouse or eligible child of the deceased employee.

Additionally, in case of death, all stock options immediately vest in the employee's successors, in line with the Company's Employee Stock Option Scheme.

Workers: N.A.

P1 **2. Provide the measures undertaken by the entity to ensure that statutory dues have been**  
P2 **deducted and deposited by the value chain partners.**

BFS group strives to influence its partners in the value chain to participate in responsible and sustainable business conduct. There are multiple measures to ensure that statutory dues have been deducted and deposited by them, which include contractual commitments, obtaining evidence of payment, review/audit of value chain partners, seeking confirmations of compliance, etc., depending on the nature of product/ services rendered.

P3 **3. Provide the number of employees/workers having suffered high consequence work related**  
P4 **injury/ill-health/fatalities (as Reported in Q11 of Essential Indicators above), who have been**  
P5 **rehabilitated and placed in suitable employment or whose family members have been placed**  
P6 **in suitable employment:**

	Total no. of affected employees/workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2025	FY2024	FY2025	FY2024
Employees	NIL	NIL	NIL	NIL
Workers	N.A.	N.A.	N.A.	N.A.

N.A. - Bajaj Finserv group does not have any workers across its locations.

**4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)**

Yes. The BFS group invests significant time and resources in the training and development of its employees, helping them stay ahead of latest trends and technology. With such trainings, most employees are skilled and tend to be employable upon retirement/termination.

As such, on a case-to-case basis and depending upon technical skillsets of retired employees, the group also retains some of its employees as consultants' post-retirement.

**5. Details on assessment of value chain partners:**

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	BFS group expects and influences all its value chain partners to follow extant regulations, including health and safety practices and working conditions. These requirements are duly incorporated in the contracts with the Value chain partners, including compliance to labour laws.
Working Conditions	The group through its material subsidiaries undertakes assessments and risk evaluations for the value chain partners to the extent applicable. Most large, outsourced partners are regulatorily assessed annually.

**6. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from assessments of health and safety practices and working conditions of value chain partners.**

In absence of any significant risks/concerns, no need for corrective action plan has been necessitated.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

BFS group identifies key stakeholders as individuals or groups who are concerned with, interested in, or impacted by the activities of the businesses, and vice versa, both now and in the future.

Based on this definition, the Group's key stakeholders include:

- Customers
- Employees
- Shareholders and investors
- Government and regulators
- Value chain partners including distributors and suppliers
- The impacted society.

Recognising the impact of our policies, decisions, products, services, and operations on various stakeholders, the BFS group engages with them in accordance with established policies, practices, and processes. The BFS group is committed to resolving the differences in a just, fair, equitable, and consistent manner, and implementing corrective measures when warranted. Furthermore, the group actively engages with relevant stakeholders to continuously enhance sustainable and responsible business practices.

**2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.**

Stakeholder group	Whether identified as Vulnerable and Marginalised group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	No	Multiple channels including: <ul style="list-style-type: none"> <li>• Quarterly investors' presentations and calls</li> <li>• Press releases</li> <li>• Disclosures on stock exchanges</li> <li>• Participation in investor conferences</li> <li>• Investors' grievance cell</li> <li>• Social Media</li> <li>• Website</li> <li>• Emails/letters, etc.</li> </ul>	Frequent and need based	To inform about the performance, major developments/initiatives and other relevant updates regarding the Company's future plans.
Customer*	Yes, for some parts of our customer segments	Multiple channels including: <ul style="list-style-type: none"> <li>• Customer satisfaction surveys</li> <li>• Customer feedback</li> <li>• Regular interaction with customers</li> <li>• Customer helpline</li> <li>• Customer grievance cell</li> <li>• Social Media channels</li> <li>• Newspapers</li> <li>• Email/SMS</li> <li>• Website/App</li> <li>• Through our value chain partners.</li> </ul>	Frequent and need based	To provide servicing throughout the lifecycle of the customer and address queries/grievances raised by the customers.

	Stakeholder group	Whether identified as Vulnerable and Marginalised group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
P1	Government and Regulators	No	Multiple channels including: • Regulatory filings • Compliance Statements • Meetings, audits • Letters • E-mails	Periodic and need based	To provide recommendations or feedback on draft policies and make representations on various subjects before the regulators and associations for advancement and improvement of financial services industry in India.  To provide appropriate response to queries raised and seek necessary approvals.
P2					
P3					
P4					
P5	Value chain Partner	No	Multiple channels including: • In-person meetings • Emails • Performance discussions/reviews • Trainings/ awareness programmes • Policies and processes • Audits • Periodical meets/ conferences	Frequent and need based	To enhance the access and understanding of relevant financial products and services of the Company and the Group.  To provide update on ESG initiatives and disclosures.
P6					
P7					
P8					
P9	Employees	No	Multiple channels: physical and digital including regular surveys	Daily	To create a thriving, safe and inclusive workplace for its employees and provide merit-based opportunities for professional development and growth.  To inform employees on key developments within the Company. To involve employees in decision making and aligning them to the shared purpose of the Company's business strategy determined through the process of Annual Operating Plan (AOP) and Long-Range Strategy (LRS).
	Society	Yes	Multiple channels including: • Media and Press Releases • Annual Reports • CSR initiatives	Frequent and need based	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning. To educate them about the offerings of the Company especially in areas where we work towards financial upliftment through: • Health and Life protection • Loans and Insurance to MSMEs • MFI lending and protection • Enhancing protection and lending in rural parts of the country • Participating in government schemes for financial upliftment such as PM-JAY (Health), PMSBY (accident and disability), PMJJBY (life insurance), PMFBY (Crop insurance).

\*Communication through material subsidiaries.

## Leadership Indicators

**1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.**

BFS group ensures transparent communication and access to relevant information about their decisions that impact relevant stakeholders, to the extent considered necessary and permitted by regulations. This is done while keeping in mind the need to protect confidential competitive plans and information.

Stakeholder engagement is an ongoing process integrated into the Group's business activities.

The Board of Directors is regularly updated on key developments arising from these engagements and provides strategic guidance and input on related matters.

Through various committees, both the Board and Key Managerial Personnel (KMP) receive regular updates on stakeholder feedback, enabling informed decision-making and alignment with stakeholder expectations. These include, but are not limited to:

- The Risk Management Committee of the Board
- The Corporate Social Responsibility Committee of the Board
- The Board approved ESG Committee
- The Stakeholder relationship Committee for our listed companies
- The Policyholders protection Committee for our insurance subsidiaries
- The Board Nominations and Remunerations Committee

The engagement is driven by the responsible business functions, with senior executives also participating based on the need of the engagement.

Similarly, in the area of Corporate Social Responsibility (CSR), our teams engage regularly at the grassroots level to promote sustainable outcomes that address societal needs and contribute to inclusive development.

**2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.**

Yes. Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Group to better serve its stakeholders. Company personnel interact with various stakeholders to understand the evolution and relevance of ESG topics, their impact, and expectations from the Group. Based on such interactions, the Group has, enhanced it's reporting on business responsibility and have started certain new initiatives over the last few years. The Group acknowledges that ESG is a continually evolving domain and places significant value on ongoing stakeholder dialogue as part of its learning and adaptation process.

**3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups.**

In FY2024, Bajaj group companies came together to commit ₹ 5,000 crore over five years towards social impact programs, with the goal of impacting over 2 crore individuals. This commitment is currently driving a wide range of ongoing initiatives, primarily focused on youth skilling for employment, income generation, and entrepreneurship. Efforts are also actively expanding to child specific programmes in education, health, and protection, along with inclusion for persons with disabilities.

BFS group companies through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons. Refer the CSR section in our Annual Report to understand our efforts towards the same.

These concerns are also addressed by integrating our day-to-day business of lending and protection with certain social outcomes such as enhanced savings, protection, access to loans, etc. few examples of business integration with the objective of social upliftment include:

- Health and Life protection products being sold by the Company across the strata of the society
- Loans and Insurance to MSMEs
- MFI lending and protection
- Enhancing protection and lending in rural parts of the country
- Participating in government schemes for financial upliftment such as PM-JAY (Health), PMSBY (accident and disability), PMJJBY (life insurance), PMFBY (Crop insurance).

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P1 **PRINCIPLE 5: Businesses should respect and promote human rights.**

P2 **Essential Indicators**

P3 **1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

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Category	FY2025			FY2024		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (D)	% (D/C)
Employees						
Permanent	104,668	92,259	88%	92,079	90,005	98%
Other than Permanent	111,142	NIL	NIL	NIL	NIL	NIL
Workers						
Permanent	N.A.			N.A.		
Other than Permanent						

N.A. - Bajaj Finserv group does not have any workers across its locations.

Note: Our commitment to employee's rights is articulated in the Employee Charter – Human Rights Statement of each respective company. This document outlines both the rights employees can expect from the Company (Employee Rights) and the responsibilities and conduct expected of them in the course of their duties (Employee Responsibilities). It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, prohibition of forced and child labour, transparency, safe healthful and harassment-free workplace, amongst others. BFS group companies use various mediums to create awareness of ESG initiatives (including human rights) for its employees through use of social media as well as internal communication channels such as information on the Company Intranet, HR bulletins, Video Snippets, etc.

The above policy is available on our website (<https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>).

We don't directly train non-permanent employees on our company's human rights policies. Instead, we ensure human rights compliance through our contracts with Outsourcing Service Providers. These contracts explicitly require Service Providers to warrant they will, at all times, respect human rights and avoid abuses (e.g. discrimination, child/forced labor) for all personnel involved in their services. This ensures human rights standards are upheld where non-permanent staff operate. Additionally our contractual obligation staff outsourcing providers ensures that all personnel involved in performing services under the agreement comply with applicable laws and any guidelines, policies, or codes prescribed by us.

**2. Details of minimum wages paid to employees and workers, in the following format:**

Category	FY2025					FY2024				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	90,904	0	0%	90,904	100%	80,562	147	0.20%	80,415	99.80%
Female	13,764	0	0%	13,764	100%	11,517	6	0.10%	11,511	99.90%
Other than Permanent Employees										
Male	80,374	20,886	26%	59,488	74%	27,935	785	2.80%	27,150	97.20%
Female	30,768	1,736	6%	29,032	94%	18,986	318	1.70%	18,668	98.30%

Category	FY2025					FY2024				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent workers										
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other than Permanent workers										
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A. - Bajaj Finserv group does not have any workers across its locations.

### 3. Details of remuneration/salary/wages

#### a) Median remuneration/wages:

	Male		Female	
	Number	Median remuneration/salary/wages of respective category	Number	Median remuneration/salary/wages of respective category
Board of Directors (BoD)*	7	0.40	1	0.64
Key Managerial Personnel (including CMD)	3	7.17	1	0.63
Employees other than BoD and KMP	104,743	0.66	16,113	0.51
Workers	N.A.	N.A.	N.A.	N.A.

\*All the non- executive directors are entitled to the same sitting fees and commissions. Difference in remuneration arise because of the number of meetings attended as per their membership of different committees.

Notes:

- As on 31 March 2025, there were six male directors. However, during the period one of the directors has retired. The number and remuneration have been considered, including the retired director.
- The Chairman and Managing Director of the Company falls under two categories i.e., KMP and Board. His remuneration is considered under the KMP category.
- During the year, there was change in CFO. One CFO served until 31 January 2025, and the incumbent was appointed effective from 1 February 2025. Accordingly, the number and remuneration has been provided for three KMPs.
- Since we have one female Key Managerial Personnel (KMP) and one female Director, we've reported their individual salaries for the specified period. A median calculation is not applicable in such cases.

N.A. - Bajaj Finserv group does not have any workers across its locations.

#### b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2025	FY2024
Gross wages paid to females as % of total wages	10.10%	9.10%

#### 4. Do you have a focal point (Individual/Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes. The Head of HR at each respective entity is responsible for overseeing and addressing any issues arising from actual or potential human rights impacts caused or contributed to by the business.

#### 5. Describe the internal mechanisms in place to redress grievances related to human rights issues?

While the BFS group aims to prevent situations that lead to employee grievances, it has a well-defined grievance redressal mechanism to address such instances effectively. A formal grievance redressal mechanism is accessible to all employees, enabling them to report or raise concerns confidentially and

P1 anonymously, without fear of retaliation. Employees may submit their concerns on the designated email  
P2 addresses or directly to the designated ethics officer. In case involving the senior management, grievances  
can be escalated to the Audit Committee chair.

P3 The Group considers respect for human rights a fundamental core value and is committed to  
P4 support, protect, and promote these rights to ensure fair and ethical business and employment  
practices. We believe that every workplace should be free from violence, harassment, intimidation,  
and any other unsafe or disruptive conditions – whether arising from external or internal sources.

**P5** Accordingly, the BFS group strives to provide reasonable safeguards for employees at the workplace,  
while respecting their privacy and dignity.

P6 The Group maintains zero tolerance towards all forms of slavery, coerced labour, child labour, human  
P7 trafficking, violence, or physical, sexual, psychological, or verbal abuse. As a matter of policy, BFS group  
does not employ or engage with any individual, agent or vendor against their free will.

P8 Each company within the Group has a Designated Ethics Officer responsible for addressing entity specific  
P9 concerns. Employees are expected to promptly report any violations of this Code to their manager or the  
appropriate Ethics Officer.

To address human rights concerns, the Group has several policies in place, including the Whistleblower  
Policy, Prevention of Sexual Harassment, Code of Ethics and personal conduct, Charters for Fair  
and Responsible Workplace, Disciplinary actions and grievance redressal policy and the Employee charter  
and Human rights statements.

All these documents are accessible on our website: <https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>.

## 6. Number of Complaints on the following made by employees and workers:

	FY2025			FY2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	48	10	The pending cases as on 31 March 2025 will be subsequently resolved as per respective Company's policy and the defined turnaround time.	38	5	The pending cases as on 31 March 2024 have been subsequently resolved as per respective Company's policy and the defined turnaround time.
Discrimination at workplace	NIL	NIL	NIL	NIL	NIL	NIL
Child Labour	NIL	NIL	NIL	NIL	NIL	NIL
Forced Labour/ Involuntary Labour	NIL	NIL	NIL	NIL	NIL	NIL
Wages	NIL	NIL	NIL	NIL	NIL	NIL
Other human rights related issues	NIL	NIL	NIL	NIL	NIL	NIL

## 7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2025	FY2024
Total Complaints Reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	48	38
Complaints on POSH as a % of female employees/workers	0.37%	0.31%
Complaints on POSH upheld	28	21

## 8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases?

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation. There is a mechanism to consult on ethical issues through the explicit means provided by the Code of Ethics and Professional Conduct (CoEPC), employee charter, disciplinary action committee reviews, Whistleblower, and vigil mechanism policies.

The Company ensures:

- Concerns can be expressed or reported without any fear of retaliation.
- Confidentiality of the identity of involved parties.
- Privacy during review meetings.
- Option to complainant to change the current location of posting and/or availment of leave during the period of investigation.

The BFS group strictly prohibits retaliation against any employee who, in good faith, reports suspected or potential violations of the Company's Code of Ethics and Professional Conduct (CoEPC), including issues related to discrimination and harassment. It is the responsibility of every employee to report any known or suspected CoEPC violations. At BFS group, raising a concern honestly and in good faith—even if it is ultimately unfounded—will never be grounds for retaliation.

BFS Ethics Officers are committed to ensuring that all CoEPC investigations are conducted fairly, confidentially, and without adverse consequences for employees who report concerns in good faith. Additionally, BFS prohibits retaliation against individuals who use any of the Company's complaint reporting mechanisms in good faith, or who file, testify, assist, or participate in investigations conducted by government enforcement agencies.

The policies/codes referred to are all accessible on our website:

<https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>

## 9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

Yes. The Company has included ESG specific clauses which covers the general human rights parameters in the business agreements and vendor contracts.

## 10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	The Group follows all the relevant laws as applicable, and offices are normally visited by authorities for routine checks.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others—please specify	

## 11. Provide details of any corrective actions taken or underway to address significant risks/concerns arising from the assessments at Question 10 above?

No corrective actions pertaining to Question 9 was necessitated by the Group during the year under review.

P1 **Leadership Indicators**

P2 **1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.**

P3 There have been no significant human rights grievances/complaints warranting modification/introduction  
P4 of business processes.

P5 **2. Details of the scope and coverage of any Human right's due diligence conducted.**

P6 Not Applicable. However, Internal audit covers the Human Resources related processes including grievance management process.

P7 **3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

P8 As a principle, the Company, through its Employee Charter and Human Rights Statement prohibits discrimination against any person with disability in any employment-related matters in accordance with the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019.

P9 The Group recognises the needs of differently abled persons, and several corporate offices of the Group companies are equipped with ramps for ease of movement and wheelchair-accessible restrooms to support accessibility and inclusion.

The policies/codes referred to are all accessible on our website:  
<https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>

**4. Details on assessment of value chain partners**

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual Harassment	
Discrimination at workplace	
Child Labour	
Forced Labour/ Involuntary Labour	Refer note below
Wages	
Others – please specify	

Note: BFS group expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions.

The Group through its material subsidiaries undertakes assessments and risk evaluations for the value chain partners to the extent applicable.

**5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.**

No corrective actions pertaining to Question 4 was necessitated by the Group during the year under review.



**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.****Essential Indicators****1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit of measurement	FY2025	FY2024
<b>From Renewable sources</b>			
Total electricity consumption (A)	Gigajoules	1,170	2,566
Total fuel consumption (B)	Gigajoules	-	-
Energy consumption through other sources (C)	Gigajoules	-	-
Total energy consumption from renewable sources (A+B+C)	Gigajoules	1,170	2,566
<b>From non - renewable sources</b>			
Total electricity consumption (D)	Gigajoules	243,154	212,465
Total fuel consumption (E)	Gigajoules	85,870	55,402
Energy consumption through other sources (F)	Gigajoules	-	-
Total energy consumption from non-renewable sources (D+E+F)	Gigajoules	329,024	267,867
Total energy consumed (A+B+C+D+E+F)	Gigajoules	330,194	270,423
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	Per crore of Consolidated Total Revenue from Operations	2.43	2.45
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	Per crore of Consolidated Total Revenue from Operations adjusted for PPP	50.29	54.87
Energy intensity in terms of physical output		N.A.	N.A.
Energy intensity (optional)-the relevant metric may be selected by the entity		N.A.	N.A.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. SGS India Pvt. Ltd.

**2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

Not Applicable

P1 **3. Provide details of the following disclosures related to water.**

P2	Parameter	FY2025	FY2024
P3	<b>Water withdrawal by source (in kilolitres)</b>		
P4	(i) Surface water	-	-
P5	(ii) Groundwater	-	-
P6	(iii) Third party water	-	-
P7	(iv) Seawater/desalinated Water	-	-
P8	(v) Others	-	-
P9	<b>Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)</b>	-	-
	<b>Total volume of water consumption (in kilolitres) **</b>	<b>1,127,409</b>	<b>870,931</b>
	Water intensity per rupee of turnover (Total water consumption/turnover)	8.42	7.89
	Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	174.05	176.74
	Water intensity in terms of physical output	N.A.	N.A.
	Water intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

\* The water consumption is based on the Central Ground Water Authority (CGWA) estimated for water consumption which determines the water availability is at 45 litres per head per working day for offices.

# The intensity is based on average workforce in permanent employees and working days.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. SGS India Pvt. Ltd.

**4. Provide the following details related to water discharged\***

Parameter	FY2025	FY2024
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(ii) To Groundwater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment – please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	<b>-</b>	<b>-</b>

\* Given the nature of business operations of the BFS group, water discharge is not being monitored and therefore not reported

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

Given the nature of its business, this is not applicable.

**6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:**

Parameter	Please specify unit	FY2025	FY2024
Nox			
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-Please specify			

Not Applicable

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

**7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:**

Parameter	Unit	FY2025	FY2024
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	8,966	6,057
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	49,491	42,089
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/turnover)	Per crore of Consolidated Total Revenue from operations	0.44	0.44
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/Revenue from operations adjusted for PPP)	Per crore rupee of turnover adjusted Purchasing Power Parity	9.02	9.77
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	N.A.	N.A.
Total Scope 1 and Scope 2 emission intensity (optional)- the relevant metric may be selected by the entity	-	N.A.	N.A.

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. SGS India Pvt. Ltd.

**8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.**

The Company's core operation only includes running 138 windmills in Maharashtra, with an installed capacity of 65.2 MW, generating over 84 million units of electricity annually, which is more than the electricity consumed by the BFS group. The Group is a net generator of renewable power.

The Group has undertaken various projects on environmental sustainability, such as ecological restoration, waste management and clean energy projects.

Key projects include:

- The Company has installed rooftop solar plants with an installed capacity of 757 KW generated 0.32 million units in FY2025.
- The Group also has planted more than 0.2 million trees during the year.
- The Group has also undertaken a decarbonisation study during the year using an external consultant and has planned for undertaking projects towards decarbonisation during the coming year.
- Basis the above the Company plans to be Carbon Neutral in Scope 1 and Scope 2 emissions by FY2032.

P1 **9. Provide details related to waste management by the entity, in the following format:**

P2		<b>FY2025</b> <b>(in metric tonnes)</b>	<b>FY2024</b> <b>(in metric tonnes)</b>
P3	<b>Parameter</b>		
P4	<b>Total waste generated (in metric tonnes)</b>		
P5	Plastic waste (A)	-	-
P5	E-waste (B)	68.94	66.58
P5	Bio-medical waste (C)	0.03	0.01
P6	Construction and demolition waste (D)	-	-
P6	Battery waste (E)	112.84	35.83
P7	Radioactive waste (F)	-	-
P8	Other Hazardous waste. Please specify, if any (G) DG Set Oil	0.25	1.17
P8	Other Non-hazardous waste generated (H). (Dry and wet waste)	31.10	
P9	<b>Total (A+B+C+D+E+F+G+H)</b>	<b>213.16</b>	<b>103.59</b>
	Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.0016	-
	Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.03	0.02
	Waste intensity in terms of physical output	N.A.	N.A.
	Waste intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.
	For each category of waste generated, total waste recovered through recycling-using or other recovery operations (in metric tonnes)		
	Category of waste		
	(i) Recycled	140.83	103.58
	(ii) Re-used	26.37	-
	(iii) other recovery operations	45.93	-
	<b>Total</b>	<b>213.13</b>	<b>103.58</b>
	<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
	Category of waste		
	(i) Incineration	0.03	-
	(ii) Landfilling	-	-
	(iii) Other disposal operations	-	-
	<b>Total</b>	<b>0.03</b>	<b>-</b>

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, SGS India Pvt. Ltd.

**10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.**

Given the nature of the business, there is no usage of hazardous and toxic chemicals within BFS group companies.

However, the group has a robust process in place for handling all types of waste generated. The waste is handed over to authorised agencies in compliance with various national and local waste management regulations.

**11. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals/clearances are required, please specify details in the following format:**

<b>Sr. No.</b>	<b>Location of operations/offices</b>	<b>Type of operations</b>	<b>Whether the conditions of environmental approval/clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any</b>
			No

## 12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA notification No.	Date	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
Not Applicable					

## 13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control Boards or by courts	Corrective action taken if any
Based on the nature of business, the Group is following applicable environmental norms as per the required guidelines in India for necessary compliance.				

## Leadership Indicators

### 1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility/plant located in areas of water stress, provide the following information:

- Name of the area
- Nature of operations
- Water withdrawal, consumption and discharge in the following format:

Parameter	FY2025	FY2024
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated Water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i+ii+iii+iv+v)</b>	-	-
<b>Total volume of water consumption (in kilolitres)</b>	-	-
Water intensity per rupee of turnover (Water consumed/turnover)	-	-
Water intensity (optional)-the relevant metric may be selected by the entity	-	-
Water discharge by destination and level of treatment (in kilolitres)	-	-
(i) Into Surface water	-	-
- No treatment -	-	-
- With treatment - please specify level of treatment	-	-
(ii) Into Groundwater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iii) Into Seawater	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(iv) Sent to third parties	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
(v) Others	-	-
- No treatment	-	-
- With treatment - please specify level of treatment	-	-
<b>Total water discharged (in kilolitres)</b>	-	-

Note: Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No



P1 **2. Please provide details of total Scope 3 emissions and its intensity, in the following format:**

P2	Parameter	Unit	FY2025	FY2024
P3	<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	35,338	28,753
P4	<b>Total Scope 3 emissions per rupee of turnover</b>	Per crore of Consolidated Total Income	0.26	0.26
P5	<b>Total Scope 3 emission intensity (optional) – the relevant metric may be selected by the entity</b>		N.A.	N.A.

P6

Indicate if any independent assessment/evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

P7

Yes, SGS India Pvt. Ltd.

P8

P9

**3. With respect to the ecologically sensitive areas Reported at Question 10 of Essential Indicators above, provide details of significant direct and indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities.**

Not Applicable

**4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions/effluent discharge/waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:**

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1	Setup of organic waste composter at BFS HO	An organic waste converter is being used to process organic waste collected from the premises as part of waste to wealth initiative. This process results in nutrient rich compost, providing a circular and self-sufficient solution.	Our facility generated approximately 12 metric tonnes of nutrient-rich compost for FY2025. The compost is used in gardening area of Bajaj Finserv Head Office premise, promoting sustainable practices for available green spaces around the building.
2	Digitisation initiatives across BFS group business functions	Some of our material subsidiaries within the BFS group have focused on digitising their business functions and the customer service lifecycle such as E-agreements and OTP-based agreements, Prioritising digital KYC enabled by Aadhaar and video KYC, accepting digital invoice copies from vendors, shifting from issuance of physical purchase orders to electronic purchase orders.	Through various such initiatives, BFS group in the last two years, reduced consumption by approximately 4,975 million sheets of paper, saving approximately 5.9 lakh trees.
3	Setup of rooftop solar panels	BFS group material entities (BFL, BAGIC and BALIC) have steadfastly setup rooftop solar panels across its selected branches generating clean energy.	As on FY2025, the group companies have generated 0.32 million units with installed capacity of 757 KW.
4	E-waste management	The BFS group has empanelled pollution control Board registered vendors for disposing the E-waste and battery waste.	In FY2025, 181.78 tonnes of E-waste and battery waste was safely disposed by BFS group.
5	Set up of rainwater harvesting facility	An active rainwater harvesting facility has been set up at BFS head office to store and reuse the water for the facility management and green spaces of the office.	Throughout the season, the collected water was reused in maintaining green spaces on the office premises.

**5. Does the entity have a business continuity and disaster management plan?**

P1

Yes. All material subsidiaries have a Business Continuity Plan (BCP) that is compliant with applicable regulatory requirements. The BCP includes Disaster Recovery procedures to quickly recover from an emergency. It envisages disruptive events, their probability, and their impact on business operations, which are assessed through business impact analysis to counter threats and challenges pertaining to information security, cyber security, and fraud. This is aimed at eliminating or minimising any potential disruption to critical business operations.

P2

P3

P4

All material group companies are compliant with the following:

P5

- ISO 27001:2013 Information Security Management System
- ISO 22301:2012 Business Continuity Management System

**P6**

P7

Additionally, annual BCP drills are conducted to ensure effectiveness of the BCP considering the current nature of business processes, infrastructure, personnel, and other relevant factors.

P8

P9

**6. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard.**

Given the nature of the business, there has been no significant adverse impact to the environment.

**7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.**

Currently, we do not assess environmental impacts of our value chain partners. However, we encourage our value-chain partners to proactively align their business operations to environmental best-practices.

**8. How many Green Credits have been generated or procured:**

- By the listed entity – NIL
- By the top ten (in terms of value of purchases and sales, respectively) value chain partners- Not assessed.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers/associations.
- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to.

Sr. No.	Name of the trade and industry chambers associations	Company Name	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industry	BFS, BAGIC, BALIC	International
2	World Economic Forum	BFS	International
3	General Insurance Council	BAGIC	National
4	Indo German Chamber of Commerce		International
5	Council for Insurance Ombudsmen	BAGIC, BALIC	National
6	Insurance Information Bureau of India	BALIC	National
7	Life Insurance Council	BALIC	National
8	Internet and Mobile Association of India	BFSD	National

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No corrective action was necessitated by the Group during the year under review		

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

Sr. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/Quarterly/ Others – please specify)	Web Link, if available
Please refer the note below					

BFS group, as a market leader in financial services maintains regular engagement with the Government agencies and regulators and is committed to providing timely and accurate information, suggestions, recommendations, feedback on draft policies, etc., as, and when required. It keenly participates in putting forward views on setting new industry standards or regulatory developments pertaining to the financial services industry. While making recommendations, in line with our policy, we attempt to balance the interest of various stakeholders. The senior executives across the BFS group engage with RBI, SEBI, IRDAI and other regulators on a periodic basis or as per the requirement. This enables us to understand our areas of focus and concerns.

BFS is a member of the World Economic Forum and Confederation of Indian Industries (CII), through which it actively engages in policy advocacy. BFS and its subsidiaries are members of various trade and industry chambers, associations, councils, and such other collective platforms ('forums'). We proactively contribute to the discussions and resolutions within the scope of these forums. Majority of the senior executives are regularly engaged in public policy advocacy on a routine basis through several committees/forums of IRDAI, CII, SEBI, RBI.

Senior executives across BFS group hold regulatory and advocacy positions such as –

**BFS:**

Mr. Sanjiv Bajaj, the Chairman & Managing Director of Bajaj Finserv Ltd., holds several prestigious positions such as memberships of the **International Advisory Council of the Brookings Institute, USA**, and the **J.P. Morgan Asia Pacific Council**. Furthermore, he chairs the **CII Committees for Internal Finance, Corporate Governance, and Economic Affairs**.

Mr. S Sreenivasan, the President – Insurance and Special projects, was a member of the **SEBI's Industry Standards Forum (ISF)** on SEBI (Listing Obligations and Disclosure Requirements) Regulations.

Mr. Ramandeep Singh Sahni, the Chief Financial Officer, was a member of the **SEBI's Industry Standards Forum (ISF)** on minimum information to be provided for review of the Audit Committee and the shareholders for approval of Related Party Transactions.

#### **BALIC:**

**Insurance Information Bureau of India:** As a Governing Council member of the Insurance Information Bureau of India (IIB), Mr. Tarun Chugh, the MD, and CEO of BALIC, actively helps shape the IIB's strategy. His participation reflects a strong commitment to building a secure and robust insurance ecosystem through collaborative efforts focused on fraud prevention, data-driven decisions, and enhanced value for customers and the industry.

**Risk Based Capital Calibration (IRDAI):** Avdhesh Gupta, Appointed Actuary, was a key member of the Working Group constituted by IRDAI for Risk Based Capital calibration. His responsibilities included calibrating critical parameters such as lapses, mortality, and longevity, ensuring the derivation of Indian industry-specific factors for RBC computation. This directly influenced the accuracy and relevance of the capital adequacy framework for insurers in India.

**Ind AS 117 Implementation (Institute of Actuaries of India):** Avdhesh Gupta also contributed his expertise as a member of the Working Group for Ind AS 117 by the Institute of Actuaries of India. His role involved advising the Institute on technical and academic developments related to Ind AS 117, contributing to the creation of Actuarial Practice Standards and guidance notes, and addressing matters concerning the actuarial profession's application of Ind AS 117 to Indian insurers. This participation is vital in ensuring a smooth and effective transition to the new accounting standards within the insurance sector.

**Investment Regulatory Framework (IRDAI):** Mr. Farid, Chief Risk Officer, served as a member of the Investment Consultative Committee formed by IRDAI for a period of two years starting in February 2023. The committee's objective was to continuously monitor financial markets, review investment regulations in the insurance sector, and advise IRDAI on economic and financial market developments, as well as risk management. Mr. Farid's contributions were instrumental in providing critical inputs on the introduction of Equity Derivatives and amendments to the existing Investment Regulations, alongside offering valuable perspectives on fixed income instruments and alternative investment funds. This active involvement directly shaped the regulatory framework governing investments for insurance companies.

#### **BAGIC:**

**General Insurance Council:** Dr. Tapan Singhel, MD and CEO, as Chairman of the General Insurance Council, led the Indian Insurance Sector towards a revolutionary transition, transforming the Council into an open, transparent, and influential industry powerhouse. This shift ensured the GI Council's indispensable involvement in all industry projects and initiatives, with formal recognition from IRDAI.

**Tax Law Advocacy:** BAGIC through the CFO forum aggressively advocated for changes in tax laws, successfully representing taxation issues before the Government and Tax authorities. This resulted in significant tax reliefs at an industry level, including exemptions from GST for retrocession and reinsurance commissions.

**Bima Sugam:** Dr. Tapan Singhel as one of the first Directors of Bima Sugam, played an instrumental role in the development and launch of Bima Sugam, an exclusive marketplace for insurance. His contributions included advising on recruitment and guiding the project's transformative journey.

**Bima Vistaar and Bima Vahak:** BAGIC actively participated in the development of Bima Vistaar and Bima Vahak, initiatives aimed at increasing insurance penetration in rural areas. The contribution was through Dr. Tapan Singhel's membership in the Information Technology Committee.

**'Insurance for All' Vision Meet:** BAGIC collaborated with IIM Kozhikode to convene an industry-level event, bringing together key stakeholders to address ground-level issues and develop practical solutions for achieving 'Insurance for All' by 2047.

**Health Insurance Initiatives:** BAGIC spearheaded initiatives to benefit policyholders, including the Common Empanelment Project and efforts to standardise medical treatment costs.

**Self-Regulatory Organisation (SRO):** The GI Council, under Dr. Tapan Singhel's guidance, was formally recognised as an SRO, granting it important responsibilities and powers in regulating the insurance sector.

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**Uninsured Motor Vehicles:** BAGIC actively represented the issue of uninsured vehicles, leading to enhanced penalties for driving without mandatory third-party insurance.

**PFRDA Contributions:** Dr. Tapan Singhel as a member of PFRDA, played a key role in reviewing and enhancing PFRDA regulations, focusing on cost reduction and ease of doing business.

**Insurance Advisory Committee:** Dr. Tapan Singhel as a member of the Insurance Advisory Committee, represented the interests of the general insurance industry, influencing the approval and introduction of notable regulations.

**CII National Committee on Insurance and Pensions:** As Chairman, Dr. Tapan Singhel ensured ongoing focus on critical areas of the insurance sector, resulting in a detailed Report on 'Insurance for All.'

**Indian Institute of Insurance and Risk Management (IIRM):** Dr. Tapan Singhel as a Board member of IIRM, influenced policy decisions to expand insurance awareness through new courses and professional qualifications.

**IFSCA and Niti Aayog Committees:** Dr. Tapan Singhel was inducted into committees working on benchmarking regulations and designing health insurance products for underserved populations.



**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development****Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA notification No.	Date of notification	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No)	Relevant Web link
During the year there were no projects which required Social Impact Assessment as per applicable laws.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format.

Sr. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In INR)
Not applicable						

3. Describe the mechanisms to receive and redress grievances of the community.

Local community can share their concerns at [bfscommunity.grievance@bajajfinserv.in](mailto:bfscommunity.grievance@bajajfinserv.in). All submissions received through this email are reviewed and handled by the relevant departments in compliance with applicable laws and regulations.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY2025	FY2024
Directly sourced from MSMEs/small producers	6%	8.43%
Directly from within India	96%	N.A.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent/on contract basis) in the following locations, as % of total wage cost.

Location	FY2025	FY2024
Rural	0.22%	1.60%
Semi-urban	1.18%	7.70%
Urban	18.53%	24.40%
Metropolitan	80.07%	66.40%

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
Not Applicable	

P1 **2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies.**

P2	Sr. No.	State	Aspirational District	Amount spent (In INR)
P3	1	Maharashtra	Nandurbar	11,737,726
P4	2	Maharashtra	Gadchiroli	25,170,516
P5	3	Odisha	Gajapati	3,259,461
P6	4	Odisha	Dhenkanal	1,668,069
P7	5	Chhattisgarh	Bastar	1,506,905
P8	6	Maharashtra	Osmanabad	4,385,684
	7	Maharashtra	Washim	579,390
	8	Assam	Udalguri	11,673,144
P9	9	Kerala	Wayanad	20,000,000
	10	Jammu and Kashmir	Baramula	4,709,922
	11	Rajasthan	Baran	3,290,364
	12	Assam	Dhubri	4,390,382
	13	Chhattisgarh	Mahasamund	3,214,468
	14	Madhya Pradesh	Vidisha	3,322,636
	15	Rajasthan	Dhaulpur	899,902
	16	Rajasthan	Jaisalmer	928,421
	17	Rajasthan	Karauli	870,874
	18	Andhra Pradesh	Visakhapatnam	1,760,000
	19	Rajasthan	Sirohi	116,540
	20	Jharkhand	Ranchi	1,876,000
	21	Bihar	Gaya	2,995,288
	<b>Total</b>			<b>108,355,692</b>

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised/vulnerable groups? (Yes/No)
- (b) From which marginalised/vulnerable groups do you procure?
- (c) What percentage of total procurement (by value) does it constitute?

Not applicable

**4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

Sr. No	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
		Not Applicable		

**5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
No corrective actions pertaining to above mentioned parameters was necessitated by BFS group during the year under review		

## 6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalised groups
1	Child - Education	2,586,370	100%
2	Child - Health	60,120	
3	Child - Physical and Intellectual Disabilities	561,960	
4	Child - Prevention of Mortality	435,050	
5	Child - Protection	70,896	
6	Others - Advocacy	6,210	
7	Others - Education	260	
8	Others - Environment	1,000	
9	Others - Mental Health	16,800	
10	Others - PWD	35,284	
11	Youth - Livelihood initiatives	102,249	
12	Youth - PWD - Skilling	22,341	
13	Youth - Skilling for employment	167,887	
14	Youth - Skilling for enterprise/Self-employment	435,00	
<b>Total</b>		<b>4,109,927</b>	

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P1 **PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

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P3 **Essential Indicators**

P4 **1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

P5 Timely and appropriate customer grievance redressal is imperative. In fact, we aim to reduce grievances by learning from our experiences through root cause analysis. The Group's dealings with its customers are professional, fair, and transparent. BFS group has a robust customer/policy holders services governance framework and same are enumerated under the section of Customer centricity.

P7

P8 **2. Turnover of products and/services as a percentage of turnover from all products/service that carry information**

P9

**As a percentage to total turnover**

Environmental and social parameters relevant to the product	Transparency and fairness in dealings with customers is followed across the Group. None of the products withhold any relevant information needed by the customers to make informed decisions.
Safe and responsible usage	
Recycling and/or safe disposals	

**3. Number of consumer complaints in respect of the following:**

	FY2025			FY2024		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	NIL	NIL	None	NIL	NIL	None
Advertising						
Cyber- security						
Restrictive Trade practices						
Unfair Trade practices	12,985	7	The pending cases as on 31 March 2025 will be subsequently resolved as per respective Company's policy and the defined turnaround time.	12,547	16	The pending cases as on 31 March 2024 have been subsequently resolved as per respective Company's policy and the defined turnaround time.
Others						

**4. Details of instances of product recalls on account of safety issues**

	Number	Reasons for recall
Voluntary recalls	Not Applicable	
Forced recalls		

**5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

Yes, each of the material subsidiaries in the Group have adopted an information security framework to establish, implement, monitor, and constantly improve its information security posture. We focus on privacy of customer information and data security.

The material subsidiaries of the Company are compliant with ISO 27001:2013 Information Security Management System. They also comply with the applicable regulatory framework and guidelines (viz. RBI's Master Direction – Information Technology Framework for the NBFC Sector, IRDAI's Guidelines on Information and Cyber Security for Insurers, etc.). In case of material subsidiaries, IT Security related projects and operations are reviewed by a committee, under oversight of Board of respective companies. These committees meet at least on a half-yearly frequency. Dedicated teams manage cyber security programme and operations for digital initiatives. For more details refer Information security, cyber security, and fraud controls of the ESG Report or the Risk Framework as details in the Annual Reports under section of Other Disclosures for Bajaj Finserv Ltd. and the material companies.

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**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

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P8

No penalties/regulatory action has been levied or taken on the above-mentioned parameters.

P9

**7. Provide the following information relating to data breaches:**

- Number of instances of data breaches – Nil
- Percentage of data breaches involving personally identifiable information of customers – Nil
- Impact, if any, of the data breaches – Not applicable

## Leadership Indicators

**1. Channels/platforms where information on products and services of the entity can be accessed (provide web link, if available).**

BFS group companies envisage to be an Omnipresent financial services provider company that enabling its existing and new customer to engage, transact and be serviced online to offline and vice versa.

Information relating to various financial services provided by the BFS group is available on the respective Company's website, Apps, etc.

In addition, the Group companies actively use various social media and digital platforms to disseminate information on its products suite. Website navigation to the other companies is available from Bajaj Finserv Homepage (Link: [Bajaj Finserv: Loans, Cards, Insurance, Investments, Payments and more](#))

**2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.**

As a responsible corporate citizen, it is imperative to not just do business with customers, but also educate them and make them more aware of what could be good or bad for them, frauds, addressing their questions on financial products, etc. Each group company has a mechanism to inform customers on usage of products offered. Continuous and contextual communication across the customer lifecycle through press releases, yearly customer engagements, company website and blogs, social media campaigns, use of video content, on-ground activities, participation in insurance awareness programmes, Product awareness Campaigns, webinars, feature based audio-visual content for ease of understanding, etc. have helped us educate and create awareness amongst our customers and society at large.

Our group companies regularly conduct contextual customer awareness campaigns through social media, notifications on mobile apps, e-mails, WhatsApp, and SMS which may be event based, say during natural calamities, geographical widespread illness, branch closure, etc. The Insurance Companies issue a Key Feature Document/Customer Information Sheet to every customer.

**3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.**

Tech-led seamless customer experiences are the hallmark of our businesses. Each business is unique in its approach to enhancing customer experience, but they share core objectives: simplifying processes, ensuring ease of use, and providing quick, appropriate responses. The importance of information security, cyber security, and fraud controls is paramount in this technological age. Robust controls in these areas are integral to our IT framework, preventing disruptions and protecting customer data.



P1 In compliance with IRDAI regulations, our insurance subsidiaries provide a two month advance notice  
P2 in newspapers and online before re-allocating or closing a branch office. All material subsidiaries have  
P3 business continuity strategies and frameworks that meet regulatory requirements. These plans anticipate  
P4 disruptive events, assess their probability and impact through business impact analysis, and are regularly  
P5 evaluated to address information security, cyber security, and fraud threats. Customer communication is  
P6 an integral part of this process.

P7 The BFS group's material companies comply with:

- P8 • ISO 22301:2012 Business Continuity Management System
- ISO 27001:2013 Information Security Management System

**4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products/ services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)**

Yes, Transparency and fairness in dealings with customers is followed across the BFS group. None of the products withhold any relevant information needed by the customers to make informed decisions. The BFS group companies through their charters and policies, communicate the customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable. This emphasises our commitment to fair practices by maintaining transparency in products and services offered.

Yes. The material subsidiaries carry out various surveys on regular basis for continuous listening to customers and driving continuous transformation to provide them a frictionless experience.

# Independent Assurance Statement

## Independent Assurance Statement to Bajaj Finserv Ltd. on its BRSR Report for the FY 2024-25

The Board of Directors,

### Bajaj Finserv Ltd.

6<sup>th</sup> Floor, Bajaj Finserv Corporate office,  
off Pune-Ahmednagar Road,  
Viman Nagar, Pune – 411014

### Nature of the Assurance

SGS India Pvt. Ltd. (hereinafter referred to as 'SGS India') was engaged by Bajaj Finserv Ltd. (the 'Company' or 'BFS') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) (the 'Report') pertaining to the reporting period of 1 April 2024 to 31 March 2025. SGS India has conducted a Reasonable level of Assurance for BRSR core parameters and a Limited level of assurance for the remaining BRSR parameters, including essential and leadership indicators and all disclosures made thereunder. This assurance engagement was conducted in accordance with 'International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

### Reporting Framework

The Report has been prepared following the

1. BRSR Core-Framework for assurance and ESG disclosures for value chain (SEBI vide Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122) dated 12 July 2023.
2. BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10 May 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023 and as amended time to time.
3. Greenhouse Gas Protocol standard
4. Industry Standards on Reporting of BRSR Core (SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177) dated 20 December 2024

### Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Bajaj Finserv Ltd's Stakeholders.

### Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

### Assurance Standard

SGS has conducted a Reasonable level of Assurance w.r.t BRSR core parameters under 9 ESG Attributes and a Limited level of assurance for the remaining BRSR parameters, including essential and leadership indicators. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000(revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information). Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

### Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality,

environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Bajaj Finserv Ltd., being free from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

### Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period 1 April 2024, to 31 March 2025. The reporting scope and boundaries include Bajaj Finserv Ltd., 10 subsidiaries and 2 joint venture offices spread across the different states of India.

1. Bajaj Allianz Life Insurance Company Ltd. (BALIC)
2. Bajaj Allianz General Insurance Company Ltd. (BAGIC)
3. Bajaj Finance Ltd. (BFL)
4. Bajaj Finserv Direct Ltd. (BFSD)
5. Bajaj Housing Finance Ltd. (BHFL)
6. Bajaj Financial Securities Ltd. (Bfinsec)
7. Bajaj Finserv Ventures Limited (BFSV)
8. Bajaj Finserv Asset Management Ltd. (BFS AMC)
9. Bajaj Finserv Health Ltd. (Bajaj Finserv Health)
10. Vidal Healthcare Services Pvt. Ltd. (VIDAL)
11. Bajaj Allianz Financial Distributor Ltd. (BAFDL) - JV
12. Bajaj Allianz Staffing Solutions Ltd. (BASSL) - JV

### Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core KPIs, BRSR non-core indicators and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

### Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in 'Findings and Conclusion.'
- The assurance engagement considers an uncertainty of  $\pm 5\%$  based on the materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the Company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

## Findings and Conclusions

### BRSR Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the Core Indicators (Annexure A) is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR requirements.

### BRSR Non-Core Indicators:

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the data reported (as per the table below) in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria.

The list of BRSR Indicators that were verified within this assurance engagement is given below:

Principles	Limited		Reasonable
	Essential Indicators	Leadership Indicators	Core Indicators
Section A	General Disclosures		
Section B	Management and process disclosures		
Section C			
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1,2,3,4,5,6,7	1, 2	8,9
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1,2,3,4	1,2,3,4,5	-
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1(a) (b),2,3,4,5,6,7,8,9,10, 12,13,14,15	1,2,3,4,6	1(C),11
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.	1,2	1,2,3	-
Principle 5: Businesses should respect and promote human rights.	1,2,3 (a), 4,5,6,8,9,10,11	1,2,3,4,5	3 (b),7
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	2,5,6,8,10,11,12,13	1,2,3,4,5,6,7,8	1,3,4,7,9
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1 (a), (b),2	1	-
Principle 8: Businesses should promote inclusive growth and equitable development.	1,2,3	1,2,3,4,5,6	4,5
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	1,2,3,4,5,6	1,2,3,4	7

For and on behalf of SGS India Pvt. Ltd.

### Ashwini K. Mavinkurve

Technical reviewer  
Head – ESG & Sustainability Services, SGS India  
Pune, India  
13 June,2025

### Abhijit M. Joshi

Lead Verifier – ESG & Sustainability Services,  
SGS India  
Pune, India  
Team Members: **Blessy Sen**

## Annexure A

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value
1	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions	MT of CO <sub>2</sub> e	8,966.20
		Total Scope 2 emissions	MT of CO <sub>2</sub> e	49,490.80
		Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ turnover)	Per crore of Consolidated Total Revenue from operations	0.44
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations adjusted for PPP)	Per crore rupee of turnover adjusted Purchasing Power Parity	9.02
2	Water footprint	Total water consumption	KL	11,27,408.81
		Water consumption intensity	KL/Revenue from operations in ₹ crore	8.42
			KL/Revenue from operations in ₹ crore adjusted for PPP	174.05
		Water Discharge by destination and levels of Treatment	KL	NR
3	Energy footprint	Total energy consumed	Giga Joules (GJ)	3,30,194.27
		% of energy consumed from renewable sources	In % terms	0.35%
		Energy intensity	GJ/Revenue from operations in ₹ crore	2.43
			GJ/Revenue from operations in ₹ crore adjusted for PPP	50.29
4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	NR
		E-waste (B)	MT	68.94
		Bio-medical waste (C)	MT	0.032
		Construction and demolition waste (D)	MT	N.A.
		Battery waste (E)	MT	112.84
		Radioactive waste (F)	MT	N.A.
		Other Hazardous waste. Please specify, if any. (G)	MT	0.25
		Other Non-hazardous waste generated (H). Please specify, if any.	MT	31.1
		Total waste generated (A+B + C + D + E + F + G + H)	MT	213.16
		Waste intensity	MT/Revenue from operations in ₹ crore	0.0016
			MT/Revenue from operations in ₹ crore adjusted for PPP	0.03
		Total waste recovered through recycling, re-using or other recovery operations		
		(i) Recycled	MT	140.83
		(ii) Re-used	MT	26.37
		(iii) other recovery operations	MT	45.93
		Total	MT	213.13
		Total waste disposed by nature of disposal method		
		(i) Incineration	MT	0.032
		(ii) Landfilling	MT	-
		Total	MT	0.032



Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the Company	In % terms	0.11%
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the Company's construction sites)	1. Number of Permanent Disabilities	NIL
			2. Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	NIL
			3. No. of fatalities	NIL
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	10.10%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	48
			Complaints on POSH as a % of female employees/workers	0.37%
			Complaints on POSH upheld	28
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases – Directly sourced from MSMEs/small producers	In % terms – As % of total purchases by value	6%
		Input material sourced from following sources as % of total purchases – within India	In % terms – As % of total purchases by value	96%
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent/ on contract) as % of total wage cost	Rural	0.22%
			Semi-urban	1.18%
			Urban	18.53%
			Metropolitan	80.07%
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss/breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0
		Number of days of accounts payable	(Accounts payable *365)/Cost of goods/services procured	35
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	N.A.
			Number of trading houses where purchases are made from	N.A.
			Purchases from top 10 trading houses as % of total purchases from trading houses.	N.A.
			Sales to dealers/distributors as % of total sales	N.A.
			Number of dealers/distributors to whom sales are made	N.A.
			Sales to top 10 dealers/ distributors as % of total sales to dealers/distributors	N.A.
			Share of RPTs (as respective %age) in -	
			Purchases	2.77%
			Sales	0.11%
			Loans & advances	0.02%
			Investments	0.21%

**N.A.:** Not Applicable and **NR:** Not Reported

# GHG Assurance Statement

## Bajaj Finserv Ltd.

6<sup>th</sup> Floor, Bajaj Finserv Corporate office,  
off Pune-Ahmednagar Road,  
Viman Nagar, Pune – 411014

SGS India Pvt. Ltd. (hereinafter referred to as SGS India) was contracted by Bajaj Finserv Ltd (the 'Company' or 'BFS') to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope-1, Scope-2 and Scope 3 pertaining to the reporting period of 1 April 2024 to 31 March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted a Reasonable level of Assurance for Scope-1 & Scope-2 and a Limited level of assurance for Scope-3 data. This assurance engagement was conducted in accordance with the 'International Standard on Assurance Engagements (ISAE) 3410'.

SGS India verified the following parameters given in the Table below:

## Scope 1, Scope 2 and Scope 3 Data

Locations	Actual emission (tCo <sub>2</sub> e)		
	Scope 1	Scope 2	Scope 3
Bajaj Allianz Life Insurance Company Ltd. (BALIC)	1,466.84	6,830.87	7,360.97
Bajaj Allianz General Insurance Company Ltd. (BAGIC)	431.24	5,217.68	5,114.23
Bajaj Finance Ltd. (BFL)	5,884.13	32,320.76	18,770.45
Bajaj Finserv Direct Ltd. (BFSD)	468.25	388.89	517.43
Bajaj Housing Finance Ltd. (BHFL)	205.83	2,160.11	1,406.85
Bajaj Financial Securities Ltd. (Bfinsec)	79.16	1,002.22	274.74
Vidal Healthcare Services Pvt. Ltd. (VIDAL)	104.20	997.34	1,049.50
Bajaj Finserv Asset Management Ltd. (BFS AMC)	133.79	162.49	381.41
Bajaj Finserv Health Ltd. (Bajaj Finserv Health)	157.18	320.40	303.84
Bajaj Finserv Ltd. (standalone)	35.56	90.03	158.14
Bajaj Finserv Ventures Ltd. (BFSV)	-	-	-
Bajaj Allianz Financial Distributor Ltd. (BAFDL) - JV	-	-	-
Bajaj Allianz Staffing Solutions Ltd. (BASSL) - JV	-	-	-
<b>Total</b>	<b>8,966.20</b>	<b>49,490.80</b>	<b>35,337.57</b>

# Independent Assurance Statement

## Independent Assurance Statement to Bajaj Finserv Ltd. on its GHG Inventory for FY2025

The Board of Directors,

### **Bajaj Finserv Ltd.**

6<sup>th</sup> Floor, Bajaj Finserv Corporate office,  
off Pune-Ahmednagar Road,  
Viman Nagar, Pune – 411014

### **Nature of the Assurance**

SGS India Pvt. Ltd. (hereinafter referred to as SGS India) was contracted by Bajaj Finserv Ltd. (the 'Company' or 'BFS') to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope-1, Scope-2 and Scope 3 pertaining to the reporting period of 1 April 2024 to 31 March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted a Reasonable level of Assurance for Scope-1 & Scope-2 and a Limited level of assurance for Scope-3 data. This assurance engagement was conducted in accordance with the 'International Standard on Assurance Engagements (ISAE) 3410'.

### **Responsibilities**

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, calculation, and statements within the defined scope of verification, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific purpose, and it is not intended for use in interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the verification scope.

### **Assurance Standard**

SGS India has conducted Reasonable level Assurance for Scope 1 & Scope 2 and Limited level assurance for Scope 3 data. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3410. Our evidence-gathering procedures were designed to obtain a 'Reasonable level of assurance' which involves the underlying assumption that the control environment and controls are reliable.

### **Statement of Independence and Competence**

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Bajaj Finserv Ltd., being free from bias and conflicts of interest with the organisation, its subsidiaries, and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

### **Scope of Assurance**

The assurance exercise included the evaluation of quality, accuracy, and reliability of the GHG Inventory on Scope 1, Scope 2 and Scope 3 data for the period 1 April 2024 to 31 March 2025. The reporting scope and boundaries include Bajaj Finserv Ltd., 10 subsidiaries and 2 joint venture offices spread across the different states of India. and this is aligned with the GHG inventory consolidation approach.

1. Bajaj Allianz Life Insurance Company Ltd. (BALIC)
2. Bajaj Allianz General Insurance Company Ltd. (BAGIC)
3. Bajaj Finance Ltd. (BFL)
4. Bajaj Finserv Direct Ltd. (BFSD)

5. Bajaj Housing Finance Ltd. (BHFL)
6. Bajaj Financial Securities Ltd. (Bfinsec)
7. Bajaj Finserv Ventures Ltd. (BFSV)
8. Bajaj Finserv Asset Management Ltd. (BFS AMC)
9. Bajaj Finserv Health Ltd. (Bajaj Finserv Health)
10. Vidal Healthcare Services Pvt. Ltd.(VIDAL)
11. Bajaj Allianz Financial Distributor Ltd. (BAFDL) - JV
12. Bajaj Allianz Staffing Solutions Ltd. (BASSL) - JV

### Assurance Methodology

The assurance comprised a combination of pre-assurance research, interaction with the key personnel engaged in the process of developing the Company's GHG inventory, on-site visits, and remote desk review & verification of data. Specifically, SGS India executed the following activities:

- Interaction with key personnel from the head office and selected branch locations to understand and review the current processes in place for developing the Company's GHG inventory.
- Assessment of internal control mechanism to ensure the reliability and accuracy of emission data.
- Review of the data management system used for collection and consolidation of emission data.
- Review of consistency of data/information within the GHG inventory and between the inventory and source.
- Evaluation of the appropriateness of the quantification methods used to arrive at the Scope 1, Scope 2 and Scope 3 emissions with respect to the specific requirements of the GHG Protocol
- Assurance of emission data on a sample basis, including conversion factors and emissions factors.

### Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in 'Findings and Conclusion.'
- The assurance engagement considers an uncertainty of  $\pm 5\%$  based on materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

### Findings and Conclusions

#### Scope 1 and Scope 2 inventory:

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the reporting criteria.

**Scope 3 inventory:**

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information presented by the Company in its report is not prepared, in all material respects, in accordance with the reporting criteria.

SGS India verified the following parameters given in the Table below:

**Scope 1, Scope 2 and Scope 3 Data**

Locations	Actual emission (tCO <sub>2</sub> )		
	Scope 1	Scope 2	Scope 3
Bajaj Allianz Life Insurance Company Ltd. (BALIC)	1,466.84	6,830.87	7,360.97
Bajaj Allianz General Insurance Company Ltd. (BAGIC)	431.24	5,217.68	5,114.23
Bajaj Finance Ltd. (BFL)	5,884.13	32,320.76	18,770.45
Bajaj Finserv Direct Ltd. (BFSD)	468.25	388.89	517.43
Bajaj Housing Finance Ltd. (BHFL)	205.83	2,160.11	1,406.85
Bajaj Financial Securities Ltd. (Bfinsec)	79.16	1,002.22	274.74
Vidal Healthcare Services Pvt. Ltd.(VIDAL)	104.20	997.34	1,049.50
Bajaj Finserv Asset Management Ltd. (BFS AMC)	133.79	162.49	381.41
Bajaj Finserv Health Ltd. (Bajaj Finserv Health)	157.18	320.40	303.84
Bajaj Finserv Ltd. (standalone)	35.56	90.03	158.14
Bajaj Finserv Ventures Ltd. (BFSV)	-	-	-
Bajaj Allianz Financial Distributor Ltd. (BAFDL) - JV	-	-	-
Bajaj Allianz Staffing Solutions Ltd. (BASSL) - JV	-	-	-
<b>Total</b>	<b>8,966.20</b>	<b>49,490.80</b>	<b>35,337.57</b>

**Scope 3 Data**

Categories of Scope 3	Actual emission (tCO <sub>2</sub> )
Category 1: Purchased goods and services	3,583.92
Category 3: Fuel & Energy Related Activities not included in Scope 1 or Scope 2	8,642.18
Category 5: Waste generation in Operations	1.17
Category 6: Business Travel	23,110.30
<b>Total Emission</b>	<b>35,337.57</b>

For and on behalf of SGS India Pvt. Ltd.

**Ashwini K. Mavinkurve,**

Technical reviewer  
Head – ESG & Sustainability Services, SGS India  
Pune, India  
13 June, 2025

**Abhijit M. Joshi**

Lead Verifier – ESG & Sustainability Services,  
SGS India  
Pune, India  
Team Members: **Blessy Sen**



## Annexure 1: Codes and Policies

The following are the Codes and Policies which are accessible through our company website with Link: <https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>.

The mapping of the NGRBC principles to the respective policies/codes of the Company is as follows:

Sr. No.	Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Responsible and Sustainable Business Conduct Policy	●	●	●	●	●	●	●	●	●
2	Code of Ethics and Personal Conduct (COEPC)	●		●						
3	Employee Charter and Human Rights Statement	●		●	●	●				●
4	Prevention of sexual harassment at workplace Policy (POSH)	●		●		●				
5	Disciplinary action and grievance redressal Policy (DAP)	●		●		●				
6	Whistle Blower Policy	●		●		●				
7	Policy on Materiality of and dealing with Related Party Transactions	●		●		●				
8	Corporate Social Responsibility Policy (CSR)	●			●				●	
9	Code of conduct for Directors and Senior Management	●								
10	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)	●								●
11	Policy on determination of materiality for disclosure of events or information	●								
12	Policy for determining 'material' subsidiaries	●								
13	Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors	●								
14	CII Code of Conduct charters	●	●	●	●	●	●	●	●	●
15	Remuneration policy	●								
16	Cyber Security policy	●								●
17	Information Security policy	●								●
18	Know your customer (KYC) policy	●								●
19	Anti-money laundering policy	●								
20	Intragroup Investment policy	●								

## Annexure 2: Mapping United Nations Sustainable Development Goals (UNSDG)

### We have mapped our initiatives under the BSRR principles to the United Nations Sustainable Development Goals

#### Principle 1:

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



#### Principle 2 :

Businesses should provide goods and services in a manner that is sustainable and safe.



#### Principle 3 :

Businesses should respect and promote the well-being of all employees, including those in their value chains.



#### Principle 4 :

Businesses should respect the interests of and be responsive to all its stakeholders.



#### Principle 5 :

Businesses should respect and promote human rights.



#### Principle 6 :

Businesses should respect and make efforts to protect and restore the environment.



#### Principle 7 :

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



#### Principle 8 :

Businesses should promote inclusive growth and equitable development.



#### Principle 9 :

Businesses should engage with and provide value to their consumers in a responsible manner.



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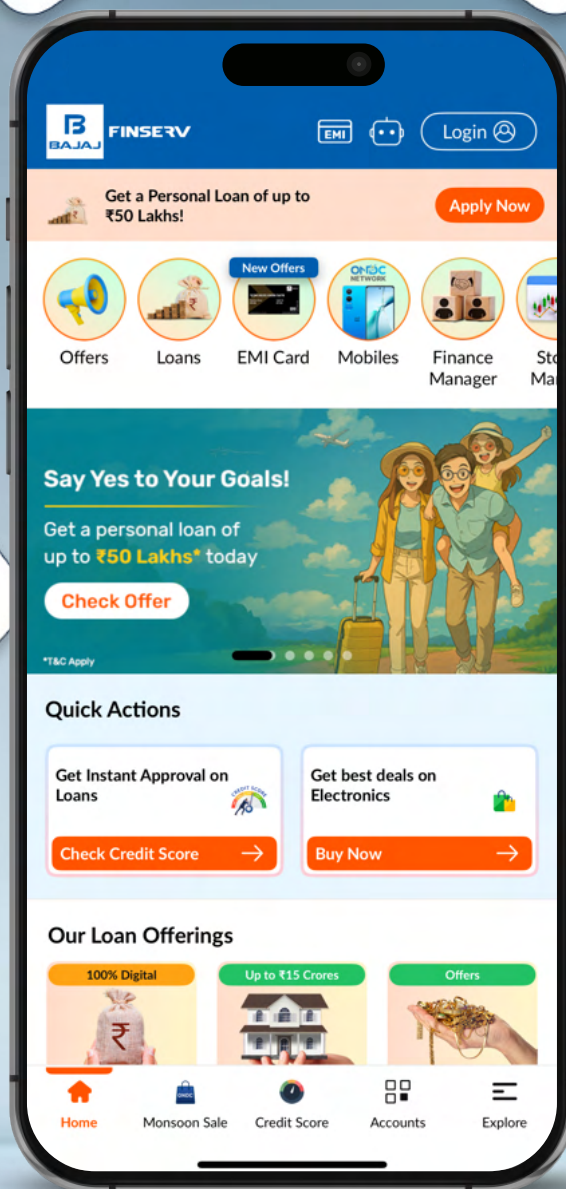
**Investments**



**Loans**



**Insurance**



# **CONSOLIDATED FINANCIAL STATEMENTS**



## Independent Auditors' Report on the Consolidated Financial Statements

To The Members of **Bajaj Finserv Ltd.**

### Opinion

1. We have audited the accompanying consolidated financial statements of Bajaj Finserv Ltd. ('the Holding Company' or 'the Parent' or 'the Company') and its subsidiaries (the parent and its subsidiaries together referred to as 'the Group'), its associates and joint venture, which comprise the consolidated Balance Sheet as at 31 March 2025 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and consolidated Statement of Cash Flows for the year ended on that date, and notes to the consolidated financial statements, including a summary of material accounting policy information and other explanatory information ('the consolidated financial statements').
2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries, associates and joint venture as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at 31 March 2025, and its consolidated profit and other comprehensive income, consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' responsibilities for the audit of the consolidated financial statements section of our report. We are independent of the Group, its associates and joint venture in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in the 'Other matters' paragraph below is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

The following key audit matters were reported to us by joint auditors of Bajaj Finance Ltd., a subsidiary of the Holding Company, which are reproduced by us as under:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1	<p><b>Assessment of impairment loss allowance based on expected credit loss ('ECL') on loans</b></p> <p>As at 31 March 2025, the outstanding balances of loans granted by the Company aggregated to ₹ 310,761.52 crore and the associated impairment loss allowance recognised in the books aggregated to ₹ 6,402.36 crore. The impairment loss allowance is determined in accordance with the expected credit loss ('ECL') model specified under Ind AS 109 'Financial Instruments' and involves exercise of judgment by the Management in estimating the expected losses using components of ECL such as probability of default ('PD'), and loss given default ('LGD') and exposure at default (expected balance at default together with expected drawdown from committed lines) ('EAD'), staging of loans, etc.</p> <p>Quantitative factors like days past due, behaviour of the loan portfolio, historical losses incurred on defaults, macro-economic data points and recovery post default, and qualitative factors like nature of the underlying loan, deterioration in credit quality, correlation of macro-economic variables to determine expected losses, probability weights applied to reflect future economic conditions, judgment in relation to management overlays and related Reserve Bank of India ('RBI') guidelines, to the extent applicable, etc. are also taken into account in the ECL computation.</p> <p>In view of the significant management judgment around determination of impairment loss and the complexity of the ECL model, we determined this to be a key audit matter.</p>	<p>The procedures performed by us included the following:</p> <ul style="list-style-type: none"> <li>Understood and evaluated the design and tested the operating effectiveness of the key controls put in place by the Company's Management over the: <ul style="list-style-type: none"> <li>i. assumptions used in the calculation of ECL and its various aspects such as the determination of PD, LGD, EAD, staging of loans, etc.;</li> <li>ii. completeness and accuracy of source data used by the Management in the ECL computation;</li> <li>iii. approval of changes to ECL methodology and models through the Company's governance framework; and</li> <li>iv. computation of ECL.</li> </ul> </li> <li>Assessed the Company's accounting policy in respect of loans and related ECL provisioning for compliance with Ind AS 109 'Financial Instruments';</li> <li>With the assistance of auditors' experts, verified the appropriateness of the methodology and models used by the Company and assessed reasonableness of the assumptions used within the computation process to determine the impairment loss allowance as per the requirements of Ind AS 109 'Financial Instruments' and ECL policy of the Company;</li> <li>Tested, on a sample basis, the completeness and accuracy of the source data used;</li> <li>Recomputed the impairment loss allowance for a sample of loans spread across the portfolios, to check the arithmetical accuracy and compliance with the ECL methodology approved by the Board of Directors of the Company;</li> <li>Evaluated the reasonableness of the assumptions and judgments involved in the management overlays forming part of the impairment loss allowance, and the related approvals;</li> <li>Evaluated the adequacy of presentation and disclosures in relation to impairment loss allowance in the financial statements.</li> </ul>

## Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Sr. No.	Key audit matter	How the matter was addressed in our audit
2	<p><b>Information technology ('IT') systems and controls impacting financial reporting</b></p> <p>The IT environment of the Company is complex and involves a large number of independent and interdependent IT systems used in the operations of the Company for processing and recording a large volume of transactions.</p> <p>As a result, there is a high degree of reliance and dependency on such IT systems for the financial reporting process of the Company.</p> <p>Further, the Company migrated its loan book from its legacy loan management system (LMS) to another LMS during the year.</p> <p>Appropriate IT general controls and IT application controls are required to ensure that such IT systems are able to process the data as required, completely, accurately, and consistently for reliable financial reporting.</p> <p>We have identified key IT systems ('in-scope' IT systems) which have an impact on the financial reporting process and the related controls testing as a key audit matter because of the complexity of the IT systems and high level of dependency on these systems for processing of financial transactions and their impact on the financial reporting process.</p>	<p>The procedures performed by us included the following:</p> <ul style="list-style-type: none"> <li>Involved our technology specialists to obtain an understanding of the IT environment, IT applications and related infrastructure and to assess the controls relevant to financial reporting.</li> <li>Evaluated the design and tested the operating effectiveness of relevant IT general controls over the 'in-scope' IT systems and IT dependencies identified as relevant for our audit of the financial statements and financial reporting process of the Company.</li> <li>On such 'in-scope' IT systems, tested key IT general controls with respect to the following domains: <ul style="list-style-type: none"> <li>Program change management, which includes that program changes are moved to the production environment as per defined procedures and relevant segregation of environment is ensured;</li> <li>User access management, which includes user access provisioning, de-provisioning, access review, password management, sensitive access rights and segregation of duties to ensure that privilege access to applications, operating systems and databases in the production environment were granted only to authorised personnel;</li> <li>Program development, which includes controls over IT application development or implementation and related infrastructure, data migration from one LMS to another LMS;</li> <li>IT operations, which includes job scheduling, monitoring, data backup and recovery;</li> <li>Performed procedures to assess the completeness and accuracy of data migrated from the legacy LMS to the new LMS</li> </ul> </li> <li>Evaluated the design and tested the operating effectiveness of relevant key IT dependencies within the key business processes, which included testing automated controls, automated calculations/accounting procedures, interfaces, segregation of duties and system generated reports, as applicable.</li> <li>Communicated with the Management and those charged with governance and tested a combination of compensating controls, remediated controls and/or performed alternative audit procedures, where necessary.</li> </ul>

## Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

The following key audit matters were reported by joint auditors of Bajaj Finance Ltd. pertaining to Bajaj Housing Finance Ltd., a step-down subsidiary of the Holding Company, which are reproduced by us as under:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1	<p><b>Allowances for expected credit loss ('ECL')</b></p> <p>Allowances for expected credit losses ('ECL'): as at 31 March 2025, the carrying value of loan assets carried at amortised cost, aggregated ₹ 99,512.86 crore (net of allowance for expected credit loss ₹ 577.86 crore) constituting approximately 97% of the Company's total assets. Significant judgment is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets carried at amortised cost is a critical estimate involving greater level of management judgment. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> <li>Qualitative and quantitative factors used in staging the loan assets carried at amortised cost;</li> <li>Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends;</li> <li>Judgments used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and</li> <li>Adjustments to model driven ECL results to address emerging trends.</li> </ul>	<p><b>Our audit approach</b></p> <p>We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures carried at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustments have been approved by the Audit Committee of the Board of Directors. Our audit procedures related to the allowance for ECL included the following, among others:</p> <p>Testing the design and operating effectiveness of the following:</p> <ul style="list-style-type: none"> <li>Completeness and accuracy of the EAD and the classification thereof into stages consistent with the definitions applied in accordance with the policy approved by the Board of Directors including the appropriateness of the qualitative factors to be applied;</li> <li>Completeness, accuracy and appropriateness of information used in the estimation of the PD and LGD for the different stages depending on the nature of the portfolio and</li> <li>Accuracy of the computation of the ECL estimate including reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL model.</li> </ul> <p>Test of details on a sample basis in respect of the following:</p> <ul style="list-style-type: none"> <li>Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD.</li> <li>The mathematical accuracy of the ECL computation by using the same input data as used by the Company.</li> <li>Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed.</li> <li>Evaluating the adequacy of the adjustment after stressing the inputs used in determining the output as per the ECL model to ensure that the adjustment was in conformity with the overlay amount approved by the Audit Committee of the Company.</li> </ul>

## Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Sr. No.	Key audit matter	How the matter was addressed in our audit
2	<p><b>Information technology (IT) systems and controls impacting financial controls</b></p> <p>The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated.</p> <p>Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting.</p> <p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process.</p>	<p><b>Our audit approach</b></p> <p>Key IT audit procedures performed included the following, but not limited to:</p> <ul style="list-style-type: none"> <li>For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit.</li> <li>Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people, process and technology.</li> <li>Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), computer operations (which includes testing of key controls pertaining to backup, incident management and data center security), System interface controls. This included testing that requests for access to systems were appropriately logged, reviewed, and authorised.</li> <li>In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested using various techniques such as inquiry, review of documentation/ record/ reports, observation, and re-performance.</li> </ul>

The following key audit matters were reported by joint auditors of Bajaj Finance Ltd., pertaining to Bajaj Financial Securities Ltd., a step-down subsidiary of the Holding Company, which are reproduced by us as under:

Sr. No.	Key audit matter	How the matter was addressed in our audit
1	<p><b>IT systems and controls</b></p> <p>Financial accounting and reporting processes, especially in the financial services sector, are fundamentally reliant on IT systems and IT controls to process significant transaction volumes, hence we identified IT systems and controls over financial reporting as a key audit matter for the Company.</p> <p>Automated accounting procedures and IT environment controls, which include IT governance, general IT controls over program development and changes, access to programs and data and IT operations, are required to be designed and to operate effectively to ensure reliable financial reporting.</p>	<p>We performed the following procedures on the IT infrastructure and applications relevant to financial reporting:</p> <p>We involved our IT specialists for assessment of the IT systems and controls over financial reporting.</p> <p>Understood general IT controls over key financial accounting and reporting systems (referred to as 'in-scope systems') which covered access controls, program/system changes, program development and computer operations.</p> <p>Tested the design and operating effectiveness of the Company's IT access control over the information system that are important to financial reporting.</p> <p>Carried the test of controls with respect to the IT general controls. This included testing that requests for access to systems were appropriately reviewed and authorised.</p> <p>Tested the Company's periodic review of access rights. Carried test of controls with respect to changes to systems for appropriate approval and authorisation.</p>



## Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

### Other information

5. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's annual report but does not include the consolidated financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.
6. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare it with the financial statement of the subsidiary audited by the other auditor, to the extent it relates to their entities and in, doing so, place reliance on the work of the other auditors, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done and audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact.
8. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

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

9. The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial statements, that give a true and fair view of the consolidated state of affairs, consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group including its associates and joint venture is in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associates and joint venture and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.
10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
11. The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

### Auditors' responsibilities for the audit of the consolidated financial statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists.

**Independent Auditors' Report on the Consolidated Financial Statements** (Contd.)

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 13.1 Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - 13.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls.
  - 13.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 13.4 Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.
  - 13.5 Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - 13.6 Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates and joint venture to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

### Other matters

17. The auditors of Bajaj Allianz Life Insurance Company Ltd. ('BALIC'), a subsidiary, have reported that determination of the following as at and for the year ended 31 March 2025 is the responsibility of the BALIC's Appointed Actuary (the 'Appointed Actuary') –
  - a. The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists. The actuarial valuation of these liabilities has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with the IRDAI;
  - b. Other adjustments and judgments, confirmed by the Appointed Actuary in accordance with Indian Accounting Standard 104 – Insurance Contracts are as under:
    - i. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
    - ii. Valuation and classification of deferred acquisition cost and deferred origination fees, if any;
    - iii. Grossing up and classification of the reinsurance assets and policy liabilities; and
    - iv. Liability adequacy test as at the reporting dates.

The auditors of BALIC have relied upon the Appointed Actuary's certificate in this regard for forming their opinion on the aforesaid mentioned items.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

18. The actuarial valuation of liabilities in respect of claims Incurred But Not Reported (IBNR) and claims Incurred But Not Enough Reported (IBNER) of Bajaj Allianz General Insurance Company Ltd. ('BAGIC'), a subsidiary, is the responsibility of the BAGIC's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2025 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 'Insurance Contracts', Ind AS 109 'Financial Instruments', guidelines and norms, issued by IRDAI and Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon the Appointed Actuary's certificate in this regard for forming opinion.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

19. The consolidated financial statements include the audited financial statements of six subsidiaries, whose financial statements reflect total assets of ₹ 599,272.57 crore (before consolidation adjustments) as at 31 March 2025, total revenue of ₹ 101,911.16 crore (before consolidation adjustments), total net profit after tax of ₹ 16,829.90 crore (before consolidation adjustments) and net cash outflow of ₹ 229.09 crore (before consolidation adjustments) as at year ended 31 March 2025 as considered in the consolidated financial statements, which have been audited by their respective independent auditors. The independent auditors' reports on financial statements of these entities have been furnished to us and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
20. The consolidated financial statements also include the Group's share of net profit after tax of ₹ 0.18 crore (before consolidation adjustments) for the year ended 31 March 2025, in respect of one joint venture (consolidated) whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the Management, and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.
21. The consolidated financial statements also includes the Group's share of net profit after tax of ₹ 17.81 crore for the year ended 31 March 2025, as considered in the consolidated financial statements, in respect of two associates of the Group, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the Management, and our opinion on the statement, in so far as it relates to the amounts and disclosures included in respect of these entities, is based solely on the report of such auditors and the procedures performed by us are as stated in paragraph above.

**Independent Auditors' Report on the Consolidated Financial Statements** (Contd.)

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

**Report on other legal and regulatory requirements**

23. As required by section 143(3) of the Act, based on our audit and on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, associates and joint venture as were audited by other auditors, as noted in the 'other matters' paragraph, we report, to the extent applicable, that:
- 23.1 We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- 23.2 In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- 23.3 The consolidated Balance Sheet, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash Flow dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- 23.4 In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act read with the relevant rules thereunder.
- 23.5 On the basis of the written representations received from the directors of the Holding Company, taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, associate companies and joint venture incorporated in India, none of the directors of the Group companies, its associate companies and joint venture incorporated in India are disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
- 23.6 With respect to the adequacy of internal financial controls with reference to the consolidated financial statements of the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
- 23.7 In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies, associate companies and joint venture incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India to its directors is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies, associate companies and joint venture incorporated in India is not in excess of the limit laid down under section 197 of the Act.
24. With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors') Rules, 2014 as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of audit reports of the other auditors on separate financial statements of such subsidiaries, associates and joint venture, as noted in the 'other matters' paragraph:
- 24.1 The consolidated financial statements disclose the impact of pending litigations as at 31 March 2025 on the consolidated financial position of the Group, its associates and joint venture – Refer note 42A to the consolidated financial statements.
- 24.2 Provision has been made in the consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, if any, on long-term contracts including derivative contracts. Refer note 5 and note 46(5) of the consolidated financial statements.
- 24.3 There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and/or its subsidiary companies, associate companies and joint venture incorporated in India during the year ended 31 March 2025.

## Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

- 24.4 The respective Managements of the Holding Company, its subsidiaries, associates and joint venture incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint venture respectively, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries, associates and joint venture to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company or any of such subsidiaries, associates and joint venture ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 46(15) to the consolidated financial statements.
- 24.5 The respective Managements of the Holding Company, its subsidiaries, associates and joint venture which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries, associates and joint venture respectively, to best of their knowledge and belief, that no funds have been received by the Holding Company or any of such subsidiaries, associates and joint venture from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries, associates and joint venture shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Parties ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 46(15) to the consolidated financial statements.
- 24.6 Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us and those performed by auditors of the subsidiaries, associates and joint venture incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditors' notice that has caused us or other auditors to believe that the representation under paragraph 24.4 and 24.5 contain any material misstatement.
- 24.7 In our opinion and according to the information and explanations given to us, the dividend declared and paid during the year by the Holding Company is in compliance with section 123 of the Act.
- 24.8 Based on our examination which included test checks and that performed by respective auditors of the subsidiaries, associates and joint venture which are the companies incorporated in India whose financial statements have been audited under the Act, the holding company, subsidiaries, associates and joint venture have used an accounting software for maintaining its books of account which has a feature of recording audit trail facility (edit log) and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit, we and respective auditors of the above referred subsidiaries, associates and joint venture did not come across any instance of audit trail feature being tampered with.
- Additionally, the audit trail has been preserved by the Holding Company and above referred subsidiaries, associates and joint venture as per the statutory requirements for record retention.
25. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditors' Report) Order, 2020 ('CARO') issued by Central Government in terms of section 143(11) of the Act, to be included in Auditors' report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Holding Company and based on our consideration of CARO reports issued by respective auditors of the companies included in consolidated financial statements, we report that there are no qualifications or adverse remarks in these CARO reports.

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000  
UDIN: 25044000BM0XIF7711

Pune : 29 April 2025



## Annexure A to the Independent Auditors' Report

### Annexure 'A' to the Independent Auditors' Report on the Consolidated Financial Statements of Bajaj Finserv Ltd. for the year ended 31 March 2025

(Referred to in paragraph '23.6' under 'Report on other legal and regulatory requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid consolidated financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act')

#### Opinion

1. In conjunction with our audit of the consolidated financial statements of Bajaj Finserv Ltd. as of and for the year ended 31 March 2025, we have audited the internal financial controls with reference to the consolidated financial statements of Bajaj Finserv Ltd. ('the Holding Company') and its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India, as of that date.
2. In our opinion, the Holding Company, and its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to the consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

#### Management's responsibility for internal financial controls

3. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and its joint venture company, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal controls over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' responsibility

4. Our responsibility is to express an opinion on the Holding Company, its subsidiaries, its associates and joint venture, which are companies incorporated in India, internal financial controls with reference to the consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SAs'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the consolidated financial statements. Those SAs and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

## Annexure A to the Independent Auditors' Report (Contd.)

5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to the consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the consolidated financial statements included obtaining an understanding of internal financial controls with reference to the consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained, and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to the consolidated financial statements.

### Meaning of internal financial controls with reference to the consolidated financial statements

7. A Holding Company's internal financial controls with reference to the consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

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

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

**Annexure A to the Independent Auditors' Report** (Contd.)**Other matters**

9. The auditors of Bajaj Allianz Life Insurance Company Ltd. ('BALIC'), a subsidiary, have reported in their main audit report that determination of the following as at 31 March 2025 is the responsibility of the BALIC's Appointed Actuary (the 'Appointed Actuary') –
- a. The actuarial valuation of liabilities for life policies in force and for policies in respect of which premium has been discontinued but liability exists. The actuarial valuation of these liabilities has been duly certified by the Appointed Actuary and in his opinion, the assumptions for such valuation are in accordance with the guidelines and norms issued by the Insurance Regulatory and Development Authority of India ('IRDAI') and the Institute of Actuaries of India in concurrence with the IRDAI;
  - b. Other adjustments and judgments, confirmed by the Appointed Actuary in accordance with Indian Accounting Standard 104 – Insurance Contracts are as under:
    - i. Assessment of contractual liabilities based on classification of contracts into insurance contracts and investment contracts;
    - ii. Valuation and classification of deferred acquisition cost and deferred origination fees on investment contracts;
    - iii. Grossing up and classification of the reinsurance assets and;
    - iv. Liability adequacy test as at the reporting dates.

Our opinion on the consolidated financial statements is not modified in respect of the above matters.

10. As reported in the main audit report for Bajaj Allianz General Insurance Company Ltd. ('BAGIC'), a subsidiary, the actuarial valuation of liabilities in respect of claims Incurred But Not Reported ('IBNR') and claims Incurred But Not Enough Reported ('IBNER') is the responsibility of BAGIC's Appointed Actuary. The actuarial valuation of these liabilities as at 31 March 2025 has been duly certified by the Appointed Actuary. The Appointed Actuary has also certified that in his opinion, the assumptions for such valuation are in accordance with Ind AS 104 'Insurance Contracts', Ind AS 109 'Financial Instruments', guidelines and norms, issued by Insurance Regulatory and Development Authority of India ('IRDAI') and Institute of Actuaries of India in concurrence with the IRDAI. We have relied upon Appointed Actuary's certificate in this regard for forming our opinion.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

11. Our aforesaid report under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls system with reference to the consolidated financial statements in so far as it relates to fourteen subsidiary companies, two associate companies and one joint venture company, which are companies incorporated in India, is based on the corresponding reports of the auditors of such subsidiaries, associates and joint venture incorporated in India.

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000  
UDIN: 25044000BMOXIF7711

Pune : 29 April 2025

## Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2025	2024
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	5,817.00	5,765.02
Bank balances other than cash and cash equivalents	4	9,919.80	6,621.64
Derivative financial instruments	5	1,032.52	591.17
Trade receivables	6	8,319.35	5,973.86
Loans	7	408,490.77	326,742.16
Investment in joint venture and associates	8	400.33	382.76
Shareholders' investments	9A	53,556.05	49,774.56
Policyholders' investments	9B	136,173.40	119,969.52
Other financial assets	10	17,930.33	13,526.42
		<b>641,639.55</b>	<b>529,347.11</b>
<b>Non-financial assets</b>			
Current tax assets (net)		682.31	435.84
Deferred tax assets (net)	11A	1,201.54	1,028.17
Investment properties	12	29.06	30.13
Property, plant and equipment	13A	2,782.87	2,528.82
Right-of-use assets	13B	1,374.02	1,216.30
Capital work-in-progress	46(18)	122.95	82.12
Intangible assets under development	46(19)	191.08	137.96
Goodwill on consolidation		802.84	689.34
Other intangible assets	14	1,308.34	990.75
Other non-financial assets	15	2,097.05	1,443.09
		<b>10,592.06</b>	<b>8,582.52</b>
<b>Total</b>		<b>652,231.61</b>	<b>537,929.63</b>

**Consolidated Balance Sheet** (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2025	2024
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Payables			
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		31.81	35.09
Total outstanding dues of creditors other than micro enterprises and small enterprises		7,933.04	6,242.33
Other payables	17		
Total outstanding dues of micro enterprises and small enterprises		0.42	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2,595.13	1,864.69
Derivative financial instruments	5	76.03	6.12
Debt securities	18	147,740.18	112,252.54
Borrowings (other than debt securities)	19	132,102.99	111,617.47
Deposits	20	71,403.13	60,150.92
Subordinated liabilities	21	3,103.54	3,577.90
Insurance contracts liabilities		134,678.68	118,280.07
Investment contracts liabilities		12,943.26	11,377.39
Lease liabilities	22	1,504.81	1,333.79
Other financial liabilities	23	2,632.59	1,830.50
		<b>516,745.61</b>	<b>428,568.81</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)		460.87	427.47
Deferred tax liabilities (net)	11B	712.51	514.49
Provisions	24	676.66	533.04
Other non-financial liabilities	25	5,201.73	4,109.97
		<b>7,051.77</b>	<b>5,584.97</b>
<b>EQUITY</b>			
Equity share capital	26	159.60	159.41
Other equity	27	72,235.71	60,169.23
Non-controlling interest		56,038.92	43,447.21
		<b>128,434.23</b>	<b>103,775.85</b>
<b>Total</b>		<b>652,231.61</b>	<b>537,929.63</b>

Summary of material accounting policies followed by the Group

2

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ramandeep Singh Sahnii  
Chief Financial Officer

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025



## Consolidated Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
<b>Revenue from operations</b>			
Interest income	28	67,449.06	53,793.19
Dividend income		174.50	157.98
Rental income		3.95	4.43
Fees and commission income	29	5,449.17	5,435.85
Net gain/(loss) on fair value changes	30	2,160.35	2,835.81
Sale of services	31	959.33	655.12
Premium and other operating income from insurance business		55,462.08	46,322.65
Others	32	2,162.61	1,176.88
<b>Total revenue from operations</b>		<b>133,821.05</b>	<b>110,381.91</b>
Other income	33	1.07	1.09
<b>Total income</b>		<b>133,822.12</b>	<b>110,383.00</b>
<b>Expenses</b>			
Employee benefits expenses	34	12,069.62	10,360.95
Finance costs	35	24,309.70	18,399.51
Fees and commission expense	36	8,715.66	6,970.60
Impairment on financial instruments	37	7,947.58	4,633.58
Claims incurred pertaining to insurance business		24,671.38	21,830.26
Reinsurance ceded		11,874.58	9,563.14
Net change in insurance/investment contract liabilities		12,401.80	10,255.49
Depreciation, amortisation and impairment	38	1,170.32	900.13
Other expenses	39	6,931.26	6,102.40
<b>Total expenses</b>		<b>110,091.90</b>	<b>89,016.06</b>
Share of profit/(loss) of joint venture and associates		17.99	8.09
<b>Profit before tax</b>		<b>23,748.21</b>	<b>21,375.03</b>
Tax expense			
Current tax		6,722.88	5,802.83
Tax credit pertaining to earlier years		(338.29)	-
Deferred tax		(194.02)	(23.16)
Total tax expense	40	6,190.57	5,779.67
<b>Profit after tax</b>		<b>17,557.64</b>	<b>15,595.36</b>
Profit attributable to non-controlling interests		8,685.33	7,447.57
<b>Profit for the year</b>		<b>8,872.31</b>	<b>8,147.79</b>

**Consolidated Statement of Profit and Loss** (Contd.)

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) of defined benefit plans		(44.51)	(76.05)
Tax impacts on above		9.46	18.04
Changes in fair value of equity instruments carried at FVTOCI		94.33	954.49
Tax impacts on above		(22.92)	(201.06)
Items that will be reclassified to profit or loss			
Changes in fair value of debt securities carried at FVTOCI		1,386.48	958.34
Tax impacts on above		(275.06)	(189.71)
Derivative instruments in cash flow hedge relationship		304.93	686.24
Tax impacts on above		(31.97)	(97.70)
Cost of hedging reserve		5.99	-
Tax impacts on above		(1.44)	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>1,425.29</b>	<b>2,052.59</b>
<b>Total comprehensive income for the year</b>		<b>18,982.93</b>	<b>17,647.95</b>
<b>Profit attributable to</b>			
Owners of the Company		8,872.31	8,147.79
Non-controlling interests		8,685.33	7,447.57
<b>Total comprehensive income attributable to</b>			
Owners of the Company		9,955.40	9,651.51
Non-controlling interests		9,027.53	7,996.44
Basic Earnings per share (in ₹)	41	55.6	51.2
Diluted Earnings per share (in ₹)	41	55.0	50.7
(Nominal value per share ₹ 1)			

Summary of material accounting policies followed by the Group

2

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

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Chief Financial Officer

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DIN: 00014615

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Partner  
ICAI Membership Number: 044000

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025

## Consolidated Statement of Changes in Equity

### A Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
At the beginning of the year		159.41	159.26
Changes in equity share capital during the year		0.19	0.15
<b>At the end of the year</b>	26	<b>159.60</b>	<b>159.41</b>

## Consolidated Statement of Changes in Equity (Contd.)

## B Other equity

(₹ in Crore)														
Particulars	Note No.	Reserves and surplus						Other comprehensive income						
		Securities premium	General reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961	Share based payments reserve	Treasury shares	Retained earnings	Equity instruments through other comprehensive income	Debt and Hedge instruments through other comprehensive income	Total attributable to equity holders of the parent	Total non-controlling interest	
Balance as at 1 April 2023	27	9,676.53	2,093.42	3,988.62	171.90	157.30	470.89	(117.48)	30,078.41	(1.49)	(270.02)	46,248.08	31,190.74	77,438.82
Profit for the year		-	-	-	-	-	-	-	8,147.79	-	-	8,147.79	7,447.57	15,595.36
Other comprehensive income (net of tax)		-	-	-	-	-	-	-	(32.84)	535.39	1,001.15	1,503.72	548.87	2,052.59
Total comprehensive income for the year ended 31 March 2024		-	-	-	-	-	-	-	8,114.95	535.39	1,001.15	9,651.49	7,996.44	17,647.95
Issue of equity share capital		4,518.87	-	-	-	-	-	-	-	-	-	4,518.87	4,280.57	8,799.44
Share issue expenses		(17.73)	-	-	-	-	-	-	-	-	-	(17.73)	(16.81)	(34.54)
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		462.77	-	-	-	-	-	-	-	-	-	462.77	217.98	680.75
Transfer to Reserve fund in terms of section 45(C)(i) of the Reserve Bank of India Act, 1934 and section 29C of the National Housing Bank Act, 1987		-	-	1,299.00	5712	-	-	-	(1,356.12)	-	-	-	-	-
Transfer to Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961		-	-	-	-	120.66	-	-	(120.66)	-	-	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	-	-	-	(127.43)	-	-	(127.43)	(1,079.38)	(1,206.81)
Recognition of share based payments to employees		-	-	-	-	-	250.94	-	-	-	-	250.94	214.35	465.29
Transfer on exercise of option		(1.86)	-	-	-	-	(96.03)	-	1.86	-	-	(96.03)	(54.71)	(150.74)
Realisation from treasury shares held by ESOP trust		-	-	-	-	-	-	13.17	-	-	-	13.17	(0.53)	12.64
Exercise of options by employees pursuant to ESOP scheme		94.17	-	-	-	-	-	-	-	-	-	94.17	-	94.17
Transfer on cancellation of stock options		-	6.35	-	-	-	(6.35)	-	-	-	-	-	0.53	0.53
Adjustment of dividend to ESOP trust		-	-	-	-	-	-	-	(1.23)	-	-	(1.23)	1.15	(0.08)
Adjustment because of change in shareholding in subsidiary		(202.12)	(9.08)	(88.63)	(3.76)	(3.45)	(6.38)	-	(384.51)	0.93	0.12	(696.88)	696.88	-
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		14,530.63	2,090.69	5,198.99	225.26	274.51	613.07	(104.31)	36,205.27	534.83	731.25	60,300.21	43,447.21	103,747.42
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		8.91	-	-	-	-	-	-	-	-	-	8.91	-	8.91
		139.89	-	-	-	-	-	-	-	-	-	139.89	-	139.89
Balance as at 31 March 2024	27	14,399.65	2,090.69	5,198.99	225.26	274.51	613.07	(104.31)	36,205.27	534.83	731.25	60,169.23	43,447.21	103,616.44

('₹ In Crore)

## Consolidated Statement of Changes in Equity (Contd.)

(₹ In Crore)

Particulars	Note No.	Reserves and surplus					Other comprehensive income			Total non-controlling interest	Total
		Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961	Share based payments reserve	Treasury shares	Retained earnings	Equity instruments through other comprehensive income	Debt and Hedge instruments through other comprehensive income	Total attributable to equity holders of the parent	
Profit for the year		-	-	-	-	-	8,872.31	-	-	8,872.31	17,557.64
Other comprehensive income (net of tax)		-	-	-	-	-	(21.46)	82.41	1,022.14	1,083.09	1,425.29
<b>Total comprehensive income for the year ended 31 March 2025</b>		-	-	-	-	-	<b>8,850.85</b>	<b>82.41</b>	<b>1,022.14</b>	<b>9,955.40</b>	<b>18,982.93</b>
Issue of equity share capital		-	-	-	-	-	-	-	-	(575.51)	577.76
Share issue expenses		-	-	-	-	-	-	-	-	(0.06)	2.24
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		-	-	-	-	-	-	-	-	(0.06)	(0.12)
Transfer to Reserve fund in terms of section 45(1) of the Reserve Bank of India Act, 1934 and section 29C of the National Housing Bank Act, 1987		-	-	-	-	-	-	-	-	288.60	462.35
Transfer to Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961		1,713.86	68.13	-	-	-	(1,781.99)	-	-	-	-
Reclassification of gain on sale of FVTOCI equity instruments (net of tax impacts)		-	-	154.17	-	-	(154.17)	-	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	-	518.43	(518.43)	-	-	-
Recognition of share based payments to employees		-	-	-	-	-	(159.67)	-	-	(159.67)	(1,384.57)
Transfer on exercise of option		-	-	-	-	-	2.24	-	-	361.63	124.16
Realisation from treasury shares held by ESOP trust		-	-	-	-	-	-	-	-	(142.07)	(74.37)
Exercise of options by employees pursuant to ESOP scheme		-	-	-	-	-	40.40	-	-	40.40	39.30
Transfer on cancellation of stock options		-	-	-	-	-	-	-	-	139.83	139.83
Adjustment for change of ownership interest in subsidiary without loss of control		-	-	-	-	-	-	-	-	1.10	1.10
Adjustment of dividend to ESOP trust		-	-	-	-	-	2,061.35	-	-	2,061.35	1,949.84
Adjustment because of change in shareholding in subsidiary		-	-	-	-	-	(0.90)	-	-	(0.90)	0.94
Non-Controlling interests of subsidiaries		13.03	0.21	0.26	0.34	-	28.86	0.01	(0.77)	47.28	(47.28)
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		-	-	-	-	-	-	-	-	-	2,244.02
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		-	-	-	-	-	-	-	-	-	2,244.02
<b>Balance as at 31 March 2025</b>		<b>14,263.30</b>	<b>2,106.63</b>	<b>428.94</b>	<b>877.41</b>	<b>(63.91)</b>	<b>45,570.27</b>	<b>98.82</b>	<b>1,752.62</b>	<b>72,185.51</b>	<b>128,224.43</b>
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		-	-	-	-	-	-	-	-	-	139.89
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		-	-	-	-	-	-	-	-	-	89.69
<b>Balance as at 31 March 2025</b>		<b>14,313.50</b>	<b>2,106.63</b>	<b>428.94</b>	<b>877.41</b>	<b>(63.91)</b>	<b>45,570.27</b>	<b>98.82</b>	<b>1,752.62</b>	<b>72,235.71</b>	<b>128,274.63</b>

2

Summary of material accounting policies followed by the Group

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikramsey  
Partner

ICAI Membership Number: 044000

Pune: 29 April 2025

Ramandeep Singh Sahni  
Chief Financial Officer

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London



## Consolidated Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>I. Operating activities</b>		
Profit before tax	23,748.21	21,375.03
<b>Adjustments for</b>		
Interest income	(67,449.06)	(53,793.19)
Dividend income	(174.50)	(157.98)
Rental income	(3.95)	(4.43)
Unwinding of discount on security deposit	(1.05)	(2.60)
Realised gain on sale of investment	(242.34)	(206.47)
Depreciation and amortisation	1,170.32	900.13
Share of (profit)/loss of joint venture and associates	(17.99)	(8.06)
Impairment on financial instruments	7,947.58	4,633.58
Net (gain)/loss on disposal of property, plant and equipment	29.40	11.61
Finance costs	24,309.70	18,399.51
Share based payment to employees	545.61	392.52
Net gain/(loss) on financial instruments at fair value through profit or loss	(2,160.35)	(2,835.81)
Interest from loans (other than financing activity)	(72.04)	(55.32)
Remeasurement gain/(loss) on defined benefit plans	(0.87)	(0.12)
Service fees for management of assigned portfolio of loans	(27.13)	(49.97)
Provision for doubtful debts	3.88	2.66
Income on derecognised (assigned) loans	(552.04)	(13.33)
Recoveries against written off financial assets	(20.00)	-
Cash inflow from service asset	28.58	89.61
Cash inflow from interest on investments	2,313.47	943.99
Cash inflow from interest on loans under financing activity	58,216.67	45,853.53
Cash outflow towards finance cost	(22,421.35)	(17,238.71)
<b>Cash from operation before working capital changes</b>	<b>25,170.75</b>	<b>18,236.18</b>
<b>Working capital changes</b>		
(Increase)/decrease in bank balances other than cash and cash equivalents	(3,095.95)	(3,589.13)
(Increase)/decrease in trade receivables	(2,378.28)	(2,597.85)
(Increase)/decrease in loans	(89,190.36)	(87,355.42)
(Increase)/decrease in investments classified as FVTPL	(1,409.16)	1,972.84
(Increase)/decrease in other financial assets	104.00	(452.15)
(Increase)/decrease in other non-financial assets	(321.80)	(315.32)
(Increase)/decrease re-insurance assets	(3,034.96)	(3,545.39)
(Increase)/decrease in derivative financial instrument (net)	56.54	(24.86)
Increase/(decrease) in trade payables	116.65	263.53
Increase/(decrease) in other payables	1,713.54	1,096.29
Increase/(decrease) in other financial liabilities	846.10	560.67
Increase/(decrease) in provisions	91.68	127.30
Increase/(decrease) in other non-financial liabilities	1,007.39	983.61
Increase/(decrease) insurance contract liabilities	15,215.07	15,112.62
Income tax paid (net of refunds)	(7,004.46)	(5,974.96)
<b>Net cash flows from/(used in) operating activities</b>	<b>(62,113.25)</b>	<b>(65,502.04)</b>

## Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>II. Investing activities</b>		
Purchase of property, plant and equipment	(1,323.22)	(961.30)
Sale proceeds of property, plant and equipment	148.26	126.17
Purchase of intangible assets	(540.35)	(474.16)
Purchase of investments measured at amortised cost	(166,258.73)	(132,099.00)
Proceeds from investments measured at amortised cost	155,978.76	121,192.02
Expenses related to investments	(5.58)	(5.42)
Purchase of investments measured at FVTOCI	(32,173.92)	(23,825.24)
Proceeds from sale of investments measured at FVTOCI	30,320.83	15,921.47
Purchase of investments measured at FVTPL	(1,308.55)	(960.43)
Proceeds from sale of investments measured at FVTPL	1,044.53	2,033.14
Purchase of equity investments designated at FVTOCI	(35.00)	(514.96)
Loan against policies	(339.16)	(39.34)
Repayment of loan received	183.75	-
Rent/interest/dividend received	6,560.13	5,814.82
Fixed deposits placed during the year	(1,811.06)	(895.18)
Fixed deposits matured during the year	1,767.19	810.00
Acquisition of equity instruments of associates	-	(267.47)
Payment for acquisition of business net of cash	(234.82)	-
(Investment in)/realisation from treasury shares by ESOP trust	40.40	13.17
<b>Net cash flows from/(used in) investing activities</b>	<b>(7,986.54)</b>	<b>(14,131.71)</b>

## Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>III. Financing activities</b>		
Issue of equity share capital (including securities premium)	515.10	9,169.09
Proceeds from dilution of stake in subsidiary (net of IPO expenses)	6,460.50	-
Share issue expenses	(0.12)	(34.55)
Dividends paid	(1,541.71)	(1,183.40)
Deposits received (net)	10,527.22	14,759.93
Short term borrowing availed (net)	8,786.81	22,023.50
Long term borrowing availed	84,967.14	72,666.31
Long term borrowing repaid	(39,124.45)	(34,375.91)
Payment of lease liability	(399.18)	(316.36)
<b>Net cash flow from financing activities</b>	<b>70,191.31</b>	<b>82,708.61</b>
<b>Net change in cash and cash equivalents</b>	<b>91.52</b>	<b>3,074.86</b>
Cash and cash equivalents at the beginning of the year	8,579.23	5,504.37
Cash and cash equivalents at year end*	8,670.75	8,579.23

### \* Cash and cash equivalents at year end

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Cash and cash equivalents as per note 3	5,817.00	5,765.02
Other short-term liquid investment	2,853.75	2,814.21
	<b>8,670.75</b>	<b>8,579.23</b>

Summary of material accounting policies followed by the Group

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ICAI Membership Number: 044000

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025

## Notes to consolidated financial statements for the year ended 31 March 2025

### 1A Background of the Group

Bajaj Finserv Ltd. (the 'Holding Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Holding Company and its subsidiaries, joint ventures and associates (together known as 'the Group') is primarily engaged in the business of promoting a broad range of financial services such as financing, insurance, investments, healthcare, technology services, digital healthcare platforms, stockbroking etc. and includes distribution using digital platforms. The business of the Group are carried out through its investments in subsidiaries, joint ventures and associates. The Group is also engaged in the business of generating power through wind turbines, a renewable source of energy. The Holding Company's registered office is at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Pune, Maharashtra, India. Its shares are listed on two recognised stock exchanges in India.

Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Holding Company is termed as an unregistered core investment company (CIC) as per Reserve Bank of India Guidelines dated 25 August 2016 (last updated on 29 December 2022). As an unregistered CIC, the Holding Company must invest at least 90% of its net assets in group companies, of which at least 60% must be through equity investments.

The consolidated financial statements of Bajaj Finserv Ltd. were subject to review and recommendation for adoption by Audit Committee and approval of Board. On 29 April 2025, Board of the Holding Company approved and recommended the consolidated financial statements of Bajaj Finserv Ltd. for consideration and adoption by the shareholders in its annual general meeting.

The consolidated financial statements of Bajaj Finserv Ltd. include financial statements of the following subsidiaries, joint venture and associates of Bajaj Finserv Ltd., consolidated in accordance with Indian Accounting Standard ('Ind AS') 110 'Consolidated Financial Statements' and Ind AS 28 'Investments in Associates and Joint Ventures'. The consolidated financial statements comprise financial statements of Bajaj Finserv Ltd., its subsidiaries, joint venture and associates for the year ended 31 March 2025.

<b>Name of the Company</b>	<b>Country of incorporation</b>	<b>% Shareholding of Bajaj Finserv Ltd.</b>	<b>Consolidated as</b>
Bajaj Allianz General Insurance Company Ltd. (BAGIC)	India	74%	Subsidiary
Bajaj Allianz Life Insurance Company Ltd. (BALIC)	India	74%	Subsidiary
Bajaj Finance Ltd. (BFL)*	India	51.39%	Subsidiary
Bajaj Finserv Direct Ltd. (BFSD)#	India	80.10%	Subsidiary
Bajaj Finserv Health Ltd.^	India	100%	Subsidiary
Bajaj Finserv Ventures Ltd.	India	100%	Subsidiary
Bajaj Finserv Mutual Fund Trustee Ltd.	India	100%	Subsidiary
Bajaj Finserv Asset Management Ltd.	India	100%	Subsidiary
Bajaj Allianz Financial Distributors Ltd.**	India	50%	Joint venture

\*The consolidated financial statements of Bajaj Finance Ltd. (BFL, a subsidiary of the Holding Company) includes 88.75% interest in Bajaj Housing Finance Ltd. (BHFL) and 100% interest in Bajaj Financial Securities Ltd. which have been accounted as subsidiaries. The consolidated financial statements of BFL also include the share of its interest in Snapwork Technologies Pvt. Ltd. and Pennant Technologies Pvt. Ltd. which have been accounted as associates.

BFL's shareholding in BHFL has reduced from 100% to 88.75% effective 13 September 2024 consequent to allotment of equity shares pursuant to initial public offer (IPO).

#The remaining 19.90% shareholding is held by Bajaj Finance Ltd.

^The consolidated financial statements of Bajaj Finserv Health Ltd. include 100% interest in Vidal Healthcare Services Pvt. Ltd. as a subsidiary. It also includes Vidal Health Insurance TPA Pvt. Ltd. and VH Medcare Pvt. Ltd. as 100% step-down subsidiaries.

\*\*The consolidated financial statements of Bajaj Allianz Financial Distributors Ltd. include 100% interest in Bajaj Allianz Staffing Solutions Ltd.

### 2A Basis of preparation

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act to the extent applicable and on an accrual basis (other than Statement of Cash Flows).

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2A Basis of preparation** (Contd.)

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The consolidated financial statements are presented in Indian Rupee (INR), which is also the Group's functional currency and all values are rounded off to the nearest crore (₹ 0,000,000) with two decimals as permitted by Schedule III to the Act, except where otherwise indicated.

The financial statements of the two insurance companies have been adjusted for giving effects of Ind AS (notified under section 133 of the Companies Act, 2013); (the special purpose Ind AS Financial Statements) and hence, would vary from those prepared by those companies for statutory purposes under the Insurance Act, 1938 and IRDAI (Preparation of Financial Statements and Auditors Report) regulations, 2002.

However, no adjustments have been made to the financial statements of the two insurance subsidiaries on account of diverse accounting policies to the extent they are specific to insurance companies as and are required by regulations which are in contrast to that of Bajaj Finserv Ltd. and hence not practicable to do so. Also, differences in accounting policies followed by the other entities consolidated have been reviewed and adjustments have been made, only if these differences are material and significant.

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

**2B Presentation of financial statements**

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

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

**2C Basis of consolidation****i. Business combinations**

The Group accounts for its business combinations under acquisition method of accounting as per the guidance of Ind AS 103 Business combination. Acquisition related costs are recognised in consolidated Statement of Profit and Loss as incurred. The acquirees' identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values except certain assets and liabilities which will be carried at cost at the acquisition date.

Purchase consideration paid in excess of the fair value of net assets acquired is recognised as goodwill. Where the fair value of identifiable assets and liabilities exceed the cost of acquisition, after reassessing the fair values of the net assets and contingent liabilities, the excess is recognised as capital reserve.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2C Basis of consolidation (Contd.)

other comprehensive income (OCI) and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through OCI.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised in consolidated Statement of Profit and Loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash generating unit retained.

The interest of non-controlling shareholders is initially measured either at fair value or at the non-controlling interests' proportionate share of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in the equity of subsidiaries.

If a business combination is achieved in stages, any previously held equity interest in the acquiree is re-measured at its acquisition date fair value and any resulting gain or loss is recognised in profit and loss or OCI, as appropriate.

#### ii. Subsidiaries

Subsidiaries are entities controlled by the Holding Company. The Holding Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. The consolidated financial statements of the Holding Company and its subsidiaries have been combined on a line-by-line basis by grouping together like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and resulting unrealised profits or losses, unless cost cannot be recovered.

#### iii. Investment in associates and joint venture (Equity accounted)

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Interests in joint ventures and associates are accounted for using the equity method, after initially being recognised at the cost in the consolidated Balance Sheet. Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from equity accounted investees are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2C Basis of consolidation (Contd.)**

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Profit or loss and each component of OCI are attributed to the equity holders of the Holding Company of the Group and to the non-controlling interests.

At each reporting date, the Group assess whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group determines the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit/loss of an associate and a joint venture' in the consolidated Statement of Profit and Loss.

**iv. Non-controlling interests (NCI)**

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. Subsequently, NCI are adjusted for the NCI's share of the profit or loss and other comprehensive income of the subsidiary. When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest; and (ii) the carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests.

**v. Loss of control**

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any interest retained in the former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in consolidated Statement of Profit and Loss.

**vi. Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee.

**2D Material accounting policies followed by the Group****1. Use of estimates**

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

- Business model assessment
- Fair value of financial instruments
- Impairment of financial and non-financial assets
- Provisions for tax and other expenses
- Fair value of employee stock options
- Post employment benefits
- Valuation of insurance and investment contract liabilities

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### 2. Revenue recognition

Revenue is recognised upon transfer of control of promised products or services to customers in an amount that reflects the consideration which the Group expects to receive in exchange for those products or services.

The Group recognises revenue from contracts with customers (other than financial assets to which Ind AS 109 'Financial Instruments' is applicable) based on a comprehensive assessment model as set out in Ind AS 115 'Revenue from Contracts with Customers'. The Group identifies contract(s) with a customer and its performance obligations under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligations. The Group recognises revenue at transaction price net of variable consideration on account of various discounts and schemes offered by the Group as part of the contract.

##### i. Retail financing, investment and other services

###### a. Interest income

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

The Group recognises delayed payment interest (penal interest and the like) for delay in repayments or non-payment of contractual cashflows and income on credit impaired loan assets on realisation.

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

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

###### b. Fees and commission income

The Group recognises

- service and administration charges on completion of contracted service;
- bounce charges on realisation;
- fees on value added services and products on delivery of services and products to the customer;
- distribution income on completion of distribution of third-party products and services; and
- income on loan foreclosure and prepayment on realisation.

###### c. Income on derecognised (assigned) loans

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group (Contd.)****d. Net gain on fair value changes**

The Group designates certain financial assets for subsequent measurement at fair value through profit or loss (FVTPL) or fair value through other comprehensive income (FVTOCI). The Group recognises gains/(losses) on fair value change of financial assets measured at FVTPL and realised gains on derecognition of financial asset measured at FVTPL and FVTOCI equity instruments on net basis.

**e. Windpower income**

Income from windpower generation is recognised on acceptance of units generated by customer and after giving allowance for wheeling and transmission losses over time if any. Simultaneously, relevant entitlements for generating green energy are recognised to the extent the ultimate collection is reasonably certain.

**f. Software services**

Software services provided by the Group are primarily under variable price contracts. Revenue from software services is recognised in the accounting period in which they are rendered. Any changes in the revenue recognised basis estimates, is reflected during the period such change in estimate is known to the Management. Customers are invoiced on a monthly basis and consideration is payable by customer when invoiced.

**g. Income from distribution of financial products**

Distribution income is earned by distribution of services and products of other entities under distribution arrangements such as distribution of loan products, insurance products, credit cards, fixed deposits, bundled products and services etc. The income so earned is recognised on transfer of promised services and/or products to a customer on behalf of other entities or delivery of contractual outcome to other entities, as the case may be.

**h. Income from manpower supply services**

Income from manpower supply services is recognised on accrual basis as and when services are rendered, and it becomes due on contractual terms with the parties.

**i. Asset management services and trusteeship fees**

The Group generates its revenue by providing asset management services and trusteeship service to Bajaj Finserv Mutual Fund. The management fees is recognised on an accrual basis. The maximum amount of management fee that can be charged is subject to applicable SEBI regulations.

Trusteeship fee is recognised on accrual basis at specified rates agreed with the relevant schemes within the limits specified under the deed of trust and is applied on the daily net assets of each scheme of Bajaj Finserv Mutual Fund.

**j. Health prime rider (HPR) and service revenue**

Health prime rider is a comprehensive offering in the health ecosystem which is issued by one of the group insurance company and comprises benefits such as OPD, laboratory benefit, loyalty card, access to HealthRx mobile app and website. Pursuant to the terms of arrangement with the insurance company the Group's performance obligation is to be obliged over the policy period for the services rendered, the revenue and contract liability emanating from the said arrangement are recognised over the period of policy contract.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### ii. General insurance

##### a. Gross premium

Premium (net of goods and service tax), including reinstatement premium on direct business and reinsurance accepted, is recorded as income at the commencement of risk and is recognised over the contract period or the period of risk, whichever is appropriate, on a gross basis and for instalment cases, it is recognised on instalment due dates.

In the case of long-term motor insurance policies, premium is recognised on a yearly basis as mandated by IRDAI. Any subsequent revisions to premium, as and when occur, are recognised in the year over the remaining period of risk or contract period, as applicable.

Adjustments to premium income arising on cancellation of policies are recognised in the period in which they are cancelled.

Crop and Government Health insurance premium under government schemes are recognised in accordance with contractual obligations where there is reasonable certainty of its ultimate collectability.

##### b. Premium on reinsurance ceded

Reinsurance premium in respect of proportional reinsurance is ceded at the commencement of the risk over the contract period or the period of risk. Non-proportional reinsurance premium is recognised when incurred and due. Any subsequent revisions to, refunds or cancellations of premiums are recognised in the period in which they occur.

The Group cedes insurance risk in the normal course of business for all of its businesses. Reinsurance assets represent balances due from reinsurance companies. Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision or settled claims associated with the reinsurer's policies and are in accordance with the related reinsurance contract.

Gains or losses on buying reinsurance are recognised in the consolidated Statement of Profit and Loss immediately at the date of purchase. Ceded reinsurance arrangements do not relieve the Group from its obligations to policyholders.

##### c. Premium received in advance

Premium received in advance represents premium received in respect of policies issued during the year, where the risk commences subsequent to the consolidated balance sheet date.

##### d. Reinsurance accepted

Reinsurance inward acceptances are accounted for based on reinsurance slips accepted from the ceding insurers. The Group also assumes reinsurance risk in the normal course of business for insurance contracts where applicable. Premiums and claims on reinsurance are recognised as revenue or expenses in the same manner as they would be if the reinsurance contracts were considered as direct insurance contracts, taking into account the product classification of the reinsured business. Reinsurance liabilities represent balances due to insurance companies. Amounts payable are estimated in a manner consistent with the related reinsurance contract.

Premiums and claims are presented on a gross basis for both ceded and assumed reinsurance.

Reinsurance assets or liabilities are derecognised when the contractual rights are extinguished or expire or when the contract is transferred to another party.

Reinsurance contracts that do not transfer significant insurance risk are accounted for directly through the statement of financial position. These are deposit assets or financial liabilities that are recognised based on the consideration paid or received less any explicit identified premiums or fees to be retained by the reinsured.



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group (Contd.)**

Amounts received/receivable from the reinsurers and co-insurers, under the terms of the reinsurance and co-insurance arrangements respectively, are recognised together with the recognition of the claim under recoveries from reinsurers-claims.

**e. Commission income on reinsurance**

Commission received on reinsurance ceded is recognised as income in the period in which reinsurance premium is ceded. Profit commission under re-insurance treaties, wherever applicable, is recognised in the period of final determination of the profits and as confirmed by the reinsurer.

**iii. Life insurance****a. Gross premium**

Premium is recognised on insurance contract and investment contracts with Discretionary Participation Features (DPF) as income when due from policyholders. On unit linked policies, premium is recognised as income when associated units are created. In case of Variable Insurance Products (VIPs), premium income is recognised on the date when policy account value is credited. Premium on lapsed policies is recognised as income when such policies are reinstated. Top up premiums paid by unit linked policyholders' are considered as single premium and recognised as income when the associated units are created.

Income from unit-linked policies, which includes fund management charges, policy administration charges, mortality charges and other charges, if any, are recovered from the unit linked funds in accordance with terms and conditions of policies issued and are recognised when due.

Reinsurance premium ceded is accounted in accordance with the terms and conditions of the relevant treaties with the reinsurer.

**iv. General****a. Dividend income**

Dividends are recognised in the consolidated Statement of Profit and Loss only when the right to receive the income is established.

**b. Rent and other income**

Rental income is accounted on a straight-line basis over the lease terms on operating leases. Other income is recognised at transaction price net of variable consideration as per agreed terms of contracts.

**3. Property, plant and equipment, intangible assets, amortisation and depreciation****a. Property, plant and equipment (PPE)**

The Group had elected to continue with carrying value of all PPE as the deemed cost of PPE i.e. historical cost. PPE are stated at acquisition or construction cost less accumulated depreciation and impairment losses, if any. Land is carried at cost of acquisition. PPE not ready for the intended use on the date of consolidated Balance Sheet are disclosed as 'Capital work-in-progress'. Land is carried at cost.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. All other repair and maintenance costs are recognised in the consolidated Statement of Profit and Loss as incurred.

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### b. Depreciation

Depreciation on PPE is provided on straight-line method using the rates arrived at based on the useful lives as specified in the Schedule II except for the class of assets listed below where the useful life is determined by the Management through internal technical assessment of the Companies Act, 2013. Leasehold improvements are depreciated over the period of lease terms.

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Group
Vehicles (in use by specified employees)	8 years	4 to 8 years
Mobile phones/tablets	3 years	2 to 3 years
Computers-end use machines	3 years	3 to 4 years
Office equipment*	5 years	2 to 5 years

\*Sound box - useful life adopted by the Group: 2 to 5 years

EDC machine - useful life adopted by the Group: 4 to 5 years

#### c. Impairment of non-financial assets

An assessment is done at each balance sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/cash generating unit (CGU) is made. Where the carrying value of the asset/CGU exceeds the recoverable amount, the carrying value is written down to the recoverable amount.

#### d. Intangible assets and amortisation thereof

The Group recognises intangible assets, representing software, licenses etc. initially at cost and subsequently carries at cost less accumulated amortisation and accumulated impairment, if any. The Group recognises internally generated intangible assets when it is certain that the future economic benefit attributable to the use of such intangible assets are probable to flow to the Group, commercial feasibility of the project is demonstrated and the expenditure incurred for development of such intangible assets can be measured reliably. The cost of an internally generated intangible asset comprises all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by the Group. The Group amortises intangible assets including those internally generated using the straight-line method over a period of five to ten years, which is the Management's estimate of its useful life.

### 4. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment losses, if any. Any gain or loss on disposal of an investment properties are recognised in consolidated Statement of Profit and Loss.

The Group depreciates the investment properties over a period of 60 years on a straight-line basis which is in line with the indicative useful life of relevant type of building mentioned in Part C of Schedule II to the Act.

### 5. Financial instruments

All financial instruments are recognised on the date when the Group becomes party to the contractual provisions of the financial instruments along with the certainty of ultimate collection in case of financial assets.

#### i. Financial assets

Financial assets include cash, or an equity instrument of another entity, or a contractual right to receive cash or another financial asset from another entity.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group** (Contd.)**ii. Initial recognition**

Financial assets are initially recognised on the trade date measured at their fair value. Except for financial assets recorded at fair value through profit or loss account, transaction costs are added to this amount. However, trade receivables that do not contain a significant financing component are measured at transaction price.

**iii. Classification**

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms. The categories include the following:

- Amortised cost – Debt instruments
- Fair value through other comprehensive income (FVTOCI) – Debt instruments
- Fair value through other comprehensive income (FVTOCI) – Equity instruments
- Fair value through profit or loss account (FVTPL)

**1. Financial assets at amortised cost**

Financial assets are held at amortised cost if both of the following conditions are met:

- The instruments are held within a business model of collecting contractual cash flows, and
- Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding

The details of these conditions are outlined below:

**a. Business model assessment**

The Group makes an assessment of the objective of a business model in which an asset is held such that it best reflects the way the business is managed and is consistent with information provided to management. The information considered includes:

- The objectives for the portfolio, in particular, management's strategy of focusing on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets.
- The frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed.

If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### b. Assessment of solely payments of principal and interest (SPPI test)

As a second step of its classification process the Group assesses the contractual terms to identify whether they meet the SPPI test.

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

#### 2. Financial assets at FVTOCI

Financial assets are measured at FVTOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

On initial recognition of equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (FVTOCI – equity investment). This election is made on an investment-by-investment basis.

#### 3. Financial asset at FVTPL

Any financial asset, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified to be measured at FVTPL. In addition, the Group may also elect to classify a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as Designated FVTPL. However, such election is done only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

### iv. Subsequent measurement

#### 1. Financial assets at amortised cost

After initial measurement, financial assets classified as at amortised cost are measured using the effective interest rate (EIR) method, less allowance for impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the EIR. Expected Credit Losses (ECLs) are recognised in the consolidated Statement of Profit and Loss when such financial assets are impaired.

#### 2. Financial assets at FVTOCI – Debt instruments

FVTOCI instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income are recognised in consolidated Statement of Profit and Loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to consolidated Statement of Profit and Loss.

#### 3. Financial assets at FVTOCI – Equity instruments

The Group has certain investments as equity instruments for which it has elected to present subsequent changes in the fair value in other comprehensive income. All fair value changes of these equity instruments, excluding dividends, are recognised in OCI and not available for reclassification to profit or loss, on sale of investments. Equity instruments at FVTOCI are not subject to an impairment assessment.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group (Contd.)****4. Financial asset at FVTPL**

Financial assets at FVTPL are recorded in the consolidated Balance Sheet at fair value. Changes in fair value are recorded in consolidated Statement of Profit and Loss. Interest and dividend earned on these assets are recorded in consolidated Statement of Profit and Loss.

**v. Reclassification**

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. The Group did not reclassify any of its financial assets or liabilities in current period.

**vi. Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets. The difference between carrying amount and consideration would go to consolidated Statement of Profit and Loss or OCI, as applicable.

The Group transfers its financial assets through the partial assignment route and accordingly derecognises the transferred portion as it neither has any continuing involvement in the same nor does it retain any control. If the Group retains the right to service the financial asset, it recognises either a service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the Group adequately for performing the service. If the present value of fees to be received is expected to be more than adequate compensation for the servicing, a service asset is recognised for the servicing right at an amount determined on the basis of an allocation of the carrying amount of the larger financial asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount (measured at the date of derecognition) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in consolidated Statement of Profit and Loss.

Financial assets subsequently measured at amortised cost are generally held for collection of contractual cashflow. The Group on looking at economic viability of certain portfolios measured at amortised cost may enter into immaterial and infrequent transaction for sale of portfolios which does not affect the business model of the Group.

**vii. Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECL) for all financial assets not held at fair value through profit or loss. ECL are based on the difference between the contractual cash flows due as per contract and all the cash flows that the Group expects to receive, discounted at the appropriate effective interest rate. ECL are measured in a three-stage approach on financial assets measured at amortised cost and FVTOCI. The assets migrate through the following three stages based on an assessment of qualitative and quantitative considerations:

Stage 1 – 12-month ECL: For credit exposures where there has not been a significant increase in credit risk since initial recognition and that are not credit impaired upon origination, ECL are provided for credit losses that result from default events that are possible within the next 12-months (12-month ECL).



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

Stage 2 - Lifetime ECL (not credit impaired): For credit exposures where there has been a significant increase in credit risk since initial recognition but that are not credit impaired, a lifetime ECL is recognised. Interest income is accrued using the effective interest rate on the gross carrying amount.

Stage 3 - Lifetime ECL (credit impaired): Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of the asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the issuer of security.
- A breach of contract such as default or past due event.
- Issuer of security may enter bankruptcy or financial reorganisation.
- Disappearance of an active market for a security because of financial difficulties.
- Downgrade of rating of the security.

ECL are a probability weighted estimate of credit losses measured by, determining the probability of default ('PD') and loss given default ('LGD'). For financial assets, PD has been computed by using a ratings-based matrix. The loss allowance has been measured using ECL except for financial assets which are:

- Government securities and other securities backed by GOI Securities.
- Any receivable from stock exchanges like BSE/NSE since the exchanges guarantees settlement.

The ECL for debt instruments measured at FVTOCI do not reduce the carrying amount of these financial assets in the consolidated Balance Sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI with a corresponding charge to consolidated Statement of Profit and Loss. The accumulated gain recognised in OCI is recycled to the consolidated Statement of Profit and Loss upon derecognition of the assets.

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

##### **(a) Credit impaired (stage 3)**

The Group recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of principal and/or interest are past due for more than 90 days.
- One time compromise settlement is offered to customer.
- The loan is otherwise considered to be in default.

Loan accounts where principal and/or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

Restructuring would normally involve modification of terms of the loans, which generally includes where repayment terms are renegotiation as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. The renegotiation or modification does not result in derecognition of financial asset. Such loans are upgraded to stage 1 if-

- The loan which was restructured is not in default for a period till repayment of 10% of principal outstanding or 12 months, whichever is later; and
- Other loans of such customer are not in default during this period.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group (Contd.)****(b) Significant increase in credit risk (stage 2)**

The Group considers loan accounts which are overdue for more than 1 day past due and up to 90 days past due as on the reporting date as an indication of loans to have suffered a significant increase in credit risk. Additionally, for mortgage loans, the Group recognises stage 2 based on other indicators such as frequent delay in payments beyond due dates.

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

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

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

**(d) Measurement of ECL**

The Group calculates ECL based on probability weighted scenarios to measure the expected cash shortfall, discounted at an approximation of the EIR. A cash shortfall is the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive. It incorporates all information that is relevant including past events, current conditions and current profile of customers. Additionally, forecasts of future macro situations and economic conditions are considered as part of forward economic guidance (FEG) model.

Forward looking economic scenarios determined with reference to external forecasts of economic parameters that have demonstrated a linkage to the performance of our portfolios over a period of time have been applied to determine impact of macro-economic factors. In addition, the estimation of ECL takes into account the time value of money.

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

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

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### viii. Financial liabilities

##### Initial recognition and subsequent measurement

Financial liabilities are initially measured at fair value.

Financial liabilities are subsequently measured as financial liabilities at fair value through profit or loss or amortised cost, as appropriate. Financial liabilities are measured at fair value through profit or loss when they are held for trading.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the consolidated Statement of Profit and Loss. Gains or losses on liabilities at FVTPL are recognised in the consolidated Statement of Profit and Loss.

##### Derecognition

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

#### ix. Derivative instruments

Interest rate derivative contracts for hedging of highly probable forecast transactions on insurance contracts and investment cash flows in life, pension and annuity business, are accounted for in the manner specified in accordance with Ind AS 109.

All derivatives are recognised in the consolidated Balance Sheet at their fair value. All derivatives are carried as assets when the fair values are positive and as liabilities when the fair values are negative. Hedge effectiveness is the degree to which changes in cash flow of the hedged item that are attributable to a hedged risk are offset by changes in the cash flows of the hedging instrument. Hedge effectiveness is ascertained at the time of inception of the hedge and periodically thereafter. The portion of fair value gain/loss on the interest rate derivative that is determined to be an effective hedge is recognised in OCI within equity as 'cash flow hedge reserve'. The ineffective portion of the change in fair value of such instruments is recognised in the consolidated Statement of Profit and Loss in the period in which they arise. The accumulated gains or losses that were recognised directly in the cash flow hedge reserve are reclassified into consolidated Statement of Profit and Loss, in the same period during which the income from hedged forecasted cash flows affect the consolidated Statement of Profit and Loss (such as in the periods that income on the investments acquired from underlying forecasted cash flow is recognised in the consolidated Statement of Profit and Loss). If the hedging relationship ceases to be effective or it becomes probable that the expected forecast transaction will no longer occur, hedge accounting is discontinued and accumulated gains or losses that were recognised directly in the cash flow hedge reserve are reclassified into consolidated Statement of Profit and Loss. Costs associated with derivative contracts are considered as at a point in time cost.

The notional or contractual amount associated with derivative financial instruments are not recorded as assets or liabilities in the consolidated Balance Sheet as they do not represent the fair value of these transactions.

#### x. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated Balance Sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group** (Contd.)**6. Expenses****i. Retail financing, investment and other services****a. Finance cost**

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'. Any subsequent changes in the estimation of the future cash flows are recognised in interest expense with the corresponding adjustment to the carrying amount of the financial liability.

**b. Fees and commission expense**

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

**ii. General insurance****a. Acquisition cost**

Acquisition costs, defined as costs that vary with, and are primarily related to, the acquisition of new and renewal insurance contracts viz., commission, policy issue expenses etc., are expensed in the year in which they are incurred.

In case of long-term motor insurance policies, commission is expensed at the applicable rates on the first year of risk commencement.

**b. Reserve for unexpired risk**

Reserve for unexpired risk represents that part of the net premium (i.e., premium, net of reinsurance ceded) which is attributable to, and set aside for subsequent risks to be borne by the Group under contractual obligations on contract period basis or risk period basis, whichever is appropriate, subject to a minimum of 100% in case of Marine Hull business and in case of other line of business based on net premium written on all unexpired policies at consolidated Balance Sheet by applying 1/365th method on the unexpired period of respective policies.

**c. Gross incurred claims**

Claims are recognised as and when reported. Claims incurred comprises claims paid and includes survey fees, legal expenses and other costs directly attributable to claims.

Claims paid (net of recoveries including salvage retained by the insured and includes interest paid towards claims) are charged to the consolidated Statement of Profit and Loss when approved for payment. Where salvage is retained by the Group, the recoveries from sale of salvage are recognised at the time of sale.

**iii. Life insurance****a. Acquisition cost**

Acquisition costs are costs that vary with and are primarily related to acquisition of new insurance contracts. Acquisition cost mainly consist of commission, medical costs, stamp duty and other related expenses. These costs are expensed out in the year in which they are incurred.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### b. Benefits paid

Benefits paid comprise of policy benefits and claim settlement costs.

Death claims, including claims arising from riders are accounted for on receipt of intimation. Survival, maturity and annuity benefits are accounted when due as per the terms of the contract with the policyholder. Maturity claims under unit linked policies are accounted on due basis when the associated units are cancelled. Withdrawals and surrenders under non-linked policies are accounted on the receipt of intimation. Withdrawals and surrenders under unit-linked policies are accounted for on receipt of intimation when the associated units are cancelled. Surrender charges recovered, if any, are netted off against the claim expense incurred. Amount payable on discontinued policies are accounted for on expiry of lock-in-period of these policies.

Reinsurance recoveries are accounted for in the same period as the related claims and are presented separately from the claim expense incurred. Repudiated claims disputed before judicial authorities are provided for based on the best judgment of the Management considering the facts and evidence in respect of each such claim.

Amounts paid under investment contracts other than those with a discretionary participating feature are recorded as reductions of the investment contract liabilities.

### 7. Product classification for insurance companies

#### i. General insurance

Insurance contracts are those contracts where the Group (the insurer) has accepted significant insurance risk from another party (the policyholders) by agreeing to compensate the policyholders if a specified uncertain future event (the insured event) adversely affects the policyholders.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire.

#### ii. Life insurance

Ind AS 104 requires financial instruments (investment contracts) to be separated from insurance contracts. The Group bifurcates contracts into insurance contracts and investment contracts basis recommendations of IRDAI working committee report dated 29 December 2016.

Insurance contracts are those contracts where the insurer has accepted significant insurance risk. The Group determines whether it has significant insurance risk, by comparing benefits paid on the occurrence of an insured event with benefits payable if the insured event did not occur. Insurance contracts can also transfer financial risk. Investment contracts are those contracts that transfer significant financial risk and no significant insurance risk.

Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period, unless all rights and obligations are extinguished or expire. Investment contracts can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

Insurance and investment contracts are further classified as being either with or without discretionary participating feature (DPF).



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group** (Contd.)**8. Taxes****i. Current tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

**ii. Deferred tax**

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date by the Group and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

**9. Leases**

The Group follows Ind AS 116 'Leases' for all long-term and material lease contracts.

Where the Group is the lessee:

At the date of commencement of the lease, the Group recognises a right-of-use asset ('ROU') and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses (if any). Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Group changes its assessment if whether it will exercise an extension or a termination option.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### 10. Employee benefit expenses

##### i. Short-term employee benefits and defined contribution plan

Liabilities for salaries, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed), and are measured at the amounts expected to be paid when the liabilities are settled.

The Group also recognises a liability and records an expense for bonuses (including performance linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The Group has made contribution to superannuation fund, provident fund and pension scheme as per the scheme of the Group or to Government authority.

##### ii. Defined benefits plans (Gratuity obligation)

The liability or asset recognised in the consolidated Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with the plan's actuaries and past trend.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Payment for present liability of future payment of gratuity is being made to approved gratuity fund viz., Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary are recognised as a liability.

##### iii. Compensated absences

Compensated absences entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Group. As accumulated leave can be availed and/or encashed at any time during the tenure of employment the liability is recognised on the basis of an independent actuarial valuation. The compensated absences is calculated annually by actuaries using the projected unit credit method.

##### iv. Employee stock option scheme

The Group enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Group carries out fair value cost assessment of employee stock options on the grant date using Black & Scholes model. The cost towards employees of the Group is recognised as employee benefits expenses and that pertaining to employees of subsidiaries are recovered from subsidiaries, over the period in which the service conditions are fulfilled. The cumulative expense/recharge recognised at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Group's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for grants that do not ultimately vest because of non-fulfillment of service conditions.

##### v. Treasury shares

The Group has created an employee benefit trust (EBT) for providing share based payment to its employees. When the Group uses EBT as a vehicle for distributing shares to employees under the employee stock option scheme. The Group treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain/loss is recognised in the consolidated Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve.

Share options exercised during the reporting period are settled with treasury shares.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group** (Contd.)**11. Provisions and contingent liabilities**

The Group creates a provision when there is present legal obligation as a result of a past event/(s) that probably requires an outflow of resources embodying economic benefits and a reliable estimate can be made of the amount of the obligation. Provisions determined based on the best estimate to settle the obligation on the reporting date and when the effect of the time value of money is material, the Group determines the level of provision by discounting the expected cash-flows. These estimates are reviewed at each consolidated balance sheet date and adjusted to reflect current best estimates.

A contingent liability is a possible obligation that arises from past event(s) whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. It also includes a present obligation that is not recognised as it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Accordingly, the Group does not recognise a contingent liability but discloses the existence of a contingent liability. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

**12. Contract liabilities and contract assets for insurance companies****i. General insurance****a. Insurance contract liabilities**

Insurance contract liabilities include the provision for outstanding claims, the provision for unearned premium and the provision for premium deficiency. The provision for outstanding claims is based on the estimated ultimate cost of all claims incurred but not settled at the reporting date, whether reported or not, together with related claims handling costs and a reduction for the expected value of salvage and other recoveries. Delays can be experienced in the notification and settlement of certain types of claims. Therefore, the ultimate cost of these cannot be known with certainty at the reporting date. The liability is calculated at the reporting date using a range of standard actuarial claim projection techniques, based on empirical data and current assumptions that may include a margin for adverse deviation. The liability is not discounted for the time value of money. No provision for equalisation or catastrophe reserves is recognised. The liabilities are derecognised when the obligation to pay a claim expires, is discharged or is cancelled.

The provision for unearned premiums represents that portion of premiums received or receivable that relates to risks that have not yet expired at the reporting date. The provision is recognised when contracts are entered into and premiums are charged and is brought to account as premium income over the term of the contract in accordance with the pattern of insurance service provided under the contract.

At each reporting date, the Group reviews its unexpired risk and a liability adequacy test is performed to determine whether there is any overall excess of expected claims and deferred acquisition costs over unearned premiums. This calculation uses current estimates of future contractual cash flows after taking account of the investment return expected to arise on assets relating to the relevant nonlife insurance technical provisions. If these estimates show that the carrying amount of the unearned premiums (less related deferred acquisition costs) is inadequate, the deficiency is recognised in the consolidated Statement of Profit and Loss by setting up a provision for premium deficiency.

**b. Net change in insurance contract liabilities**

Net change in insurance contract liabilities comprises of change in the outstanding provision of claims and estimated liability for claims incurred but not reported ('IBNR') and claims incurred but not enough reported ('IBNER').

Provision is made for estimated value of outstanding claims at the consolidated Balance Sheet date net of reinsurance, salvage and other recoveries. Such provision is made on the basis of the ultimate amounts that are likely to be paid against each claim, as anticipated and estimated by the Management in light of past experience and subsequently modified for changes, as appropriate.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 2D Material accounting policies followed by the Group (Contd.)

#### c. IBNR and IBNER (Claims incurred but not reported and claims incurred but not enough reported)

Incurred but not reported (IBNR) reserve is a provision for all claims that have occurred prior to the end of the current accounting period but have not been reported to the Group. The IBNR reserve also includes provision for claims incurred but not enough reported (IBNER). The said liability is determined by Appointed Actuary based on actuarial principles. The actuarial estimate is derived in accordance with relevant IRDAI regulations and Guidance Note 21 issued by the Institute of Actuaries of India. The Appointed Actuary has certified that the methodology and assumptions used to estimate the liability are appropriate and in accordance with guidelines and norms issued by the Institute of Actuaries of India in concurrence with the IRDAI regulations.

#### d. Insurance receivables

Insurance receivables are recognised at transaction price. After initial recognition, insurance receivables are measured at amortised cost. The carrying value of insurance receivables is reviewed for impairment whenever events or circumstances indicate that the carrying amount may not be recoverable, with the impairment loss recorded in the consolidated Statement of Profit and Loss.

Insurance receivables are derecognised when the derecognition criteria for financial assets, have been met.

### ii. Life insurance

#### a. Insurance contract liabilities

Insurance contract provisions have been computed using a gross premium valuation method, as prescribed under the Insurance Regulatory and Development Authority of India (Assets, Liabilities, and Solvency Margin of Life Insurance Business) Regulations, 2016. Derivatives embedded in an insurance contract are not separated if the embedded derivative itself qualifies for recognition as an insurance contract. In this case the entire contract is measured as described above.

#### b. Investment contract liabilities

Investment contracts are classified between contracts with and without discretionary participating feature (DPF). The accounting policies for investment contract liabilities with DPF are the same as those for life insurance contract liabilities. Investment contract liabilities without DPF are recognised when contracts are entered into, and premiums are charged.

Investment contract liabilities other than unit-linked business are recorded at amortised cost. The measurement of investment contracts without discretionary participation features is carried out in accordance with Ind AS 109 to reflect the deposit nature of the arrangement, with premiums and claims reflected as deposits and withdrawals and reflected in the consolidated Balance Sheet.

#### c. Fund for future appropriation (FFA)

Fund for future appropriation in the participating segment includes the amount of unappropriated profits held based on the recommendations of the appointed actuary. Transfers to and from the fund reflect the excess or deficit of income over expenses respectively and appropriations in each accounting period arising in BALIC's Policyholders' Fund. Any allocation of bonus to the participating policyholders would also give rise to a transfer to consolidated Statement of Profit and Loss in the required proportion.

FFA in the Unit-linked segment includes the amount of the discontinuance charge deducted from the discontinued policies that are not expected to revive during the revival period. This charge is held in FFA until the exit of the policy due to expiry of revival period or due to death of the life assured or expiry of the lock-in period, as applicable.

All FFA at the end of the reporting period are held within insurance contract liabilities.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**2D Material accounting policies followed by the Group** (Contd.)**13. Fair value measurement**

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level 1, Level 2 and Level 3 based on the lowest level input that is significant to the fair value measurement as a whole.

**2E Recent accounting pronouncements****Ind AS 117: Insurance Contracts**

Ministry of Corporate Affairs ('MCA') during the year notified Ind AS 117 'Insurance Contracts' to replace existing Ind AS 104 'Insurance Contracts'. The new standard will be effective once notified by the IRDAI.

Ind AS 117 establishes principles for the recognition, measurement, presentation, and disclosure of insurance and reinsurance contracts. It requires to identify the Group of insurance contracts having similar risks and managed together, with further division to year of issue. Insurance contracts liabilities are measured at their current fulfillment values using measurement models, depending on the nature of the contracts. Profit from insurance contracts is recognised in line with the service provided to the policyholder in the period. If a group of contracts is expected to be onerous (i.e., loss-making) over the remaining coverage period, the Group recognises the loss immediately.

**For General Insurance:**

Transitioning to Ind AS 117 involves determining the deferred acquisition cost (DAC) and discounting of the opening liability which will increase shareholders' equity at the transition date. It requires revision in the net worth as if the standard had applied retrospectively. However, if this is not practical, the Group is required to choose either a modified retrospective approach or fair value of the liabilities at the transition date.

**For Life Insurance:**

Transitioning to Ind AS 117 involves determining CSM at the transition date. It requires CSM to be calculated as if the standard had applied retrospectively. However, if this is not practical, the Group is required to choose either a modified retrospective approach or to determine the CSM by reference to the fair value of the liabilities at the transition date.

Ind AS 117 is expected to have a significant impact due to its complex requirements, fundamental change to insurance contracts gross and reinsurance accounting separately, application of significant judgment and estimation techniques. A reliable estimate of the effect of changes as a result of implementing the new standard is not yet available as implementation is under way.

Adoption of the standard is dependent on notification by the IRDAI.



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 3 Cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Balances with banks	4,079.47	4,939.78
Cash on hand	56.87	58.86
Cash equivalents		
Cheques, drafts on hand	229.81	190.35
Deposits with original maturity for less than three months	1,450.85	576.03
	5,817.00	5,765.02

### 4 Bank balances other than cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Earmarked balances with bank (against fixed deposit maturities and unclaimed dividend)	18.37	35.21
Deposits with original maturity for more than three months		
encumbered*	2,808.84	3,339.89
unencumbered	6,948.88	3,167.20
other deposit	4.64	-
Escrow account balance	139.07	79.34
	9,919.80	6,621.64

\* For BFL, it includes:

- ₹ 1,969.01 crore (Previous year ₹ 2,319.19) pledged towards floating charge in favour of trustees representing the public deposit holders of the Company towards maintenance of liquid assets as prescribed by RBI Act, 1934;
- ₹ 328.19 crore (Previous year ₹ 384.43 crore) fixed deposit under lien with stock exchanges for margin requirement;
- ₹ 1.57 crore (Previous year ₹ 1.74 crore) deposits with exchange for trade;
- ₹ 489.88 crore (Previous year ₹ 540.72 crore) deposits with bank for bank guarantee;
- ₹ 0.25 crore (Previous year ₹ 0.24 crore) deposits with the Pension Fund Regulatory & Development Authority; and
- ₹ 19.88 crore (Previous year ₹ Nil) pledged as lien on securitisation borrowing.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 5 Derivative financial instruments

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Fair value assets</b>		
Cash flow hedge - Cross currency interest rate swaps [Notional amount - ₹ 14,447.29 crore (Previous year - ₹ 6,015.79 crore)]	198.91	15.69
Cash flow hedge - Forward rate contracts [Notional amount - ₹ 24,410.66 crore (Previous year - ₹ 20,671.13 crore)]	785.02	563.33
Fair value hedge - Interest rate swaps [Notional amount - ₹ 2,350.00 crore (Previous year - ₹ 1,850.00 crore)]	41.22	11.66
Fair value hedge - Futures [Notional amount - ₹ 262.40 crore (Previous year - ₹ 208.23 crore)]	0.02	0.09
Fair value hedge - Option purchased [Notional amount - ₹ 588.71 crore (Previous year - ₹ 107.17 crore)]	7.35	0.40
	1,032.52	591.17
<b>Fair value liabilities</b>		
Cash flow hedge - Cross currency interest rate swaps [Notional amount - ₹ 14,447.29 crore (Previous year - ₹ 6,015.79 crore)]	22.58	0.85
Cash flow hedge - Forward rate contracts [Notional amount - ₹ 4,037.01 crore (Previous year - ₹ 969.74 crore)]	38.90	4.00
Cash flow hedge - Coupon only swap [Notional amount - ₹ 643.74 crore (Previous year - Nil)]	2.95	-
Fair value hedge - Interest rate swaps [Notional amount - ₹ 2,350.00 crore (Previous year - ₹ 1,850.00 crore)]	-	0.83
Fair value hedge - Futures [Notional amount - ₹ 262.40 crore (Previous year - ₹ 208.23 crore)]	0.45	0.44
Fair value hedge - Option sold (written) [Notional amount - ₹ 270.03 crore (Previous year - Nil)]	11.15	-
	76.03	6.12

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 6 Trade receivables

(Unsecured, considered good)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Interest subsidy receivables	922.70	750.01
Outstanding premiums	2,986.79	2,323.75
Due from entity carrying insurance business	2,496.47	1,198.76
Fees, commission and others	873.33	840.41
Others	1,127.12	907.66
	8,406.41	6,020.59
Less: Provision for impairment	87.06	46.73
	8,319.35	5,973.86

No trade receivable are due from directors or other officers of the Group either severally or jointly with any other person nor from any firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables are non-interest bearing.

### Trade receivables ageing schedule

(₹ In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	
<b>31 March 2025</b>						
Undisputed trade receivables – considered good	1,814.46	4,429.70	608.71	642.08	678.19	8,173.14
Undisputed trade receivables – credit impaired	1.84	7.79	20.84	6.62	46.20	83.29
Unbilled dues	135.80	14.18	-	-	-	149.98
<b>31 March 2024</b>						
Undisputed trade receivables – considered good	1,579.93	3,088.06	493.78	116.25	580.66	5,858.68
Undisputed trade receivables – credit impaired	5.15	8.65	10.35	0.48	22.10	46.73
Unbilled dues	115.18	-	-	-	-	115.18

### 7 Loans

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Loans under financing activity [See note 46(5)]	407,609.59	326,105.23
Unsecured, considered good		
Loan against policies (at amortised cost)	882.69	643.82
Less: Impairment loss allowance	1.51	6.89
	408,490.77	326,742.16

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**8 Investment in joint venture and associates**

(₹ In Crore)

Particulars	At Cost
<b>As at 31 March 2025</b>	
Equity instruments	
Joint venture and associates	400.33
<b>Total</b>	<b>400.33</b>
<b>As at 31 March 2024</b>	
Equity instruments	
Joint venture and associate	382.76
<b>Total</b>	<b>382.76</b>

**9A Shareholders' investments**

(₹ In Crore)

Particulars	At amortised cost	At fair value			Total
		through other comprehensive income	through profit and loss	designated at fair value through profit and loss	
<b>As at 31 March 2025</b>					
Government and trust securities*1&3	194.63	31,235.30	1,245.48	-	32,675.41
Debt securities <sup>1</sup>	523.81	4,980.99	-	-	5,504.80
Fixed deposits	1,208.36	-	-	-	1,208.36
Mutual funds <sup>2</sup>	-	-	5,431.98	-	5,431.98
Equity instruments <sup>4</sup>	-	1,799.69	2,003.95	-	3,803.64
Certificate of deposit	606.67	2,744.43	-	-	3,351.10
TREPs (Tri-party repo)	655.18	-	-	-	655.18
Commercial paper	-	926.38	-	-	926.38
<b>Total – gross</b>	<b>3,188.65</b>	<b>41,686.79</b>	<b>8,681.41</b>	<b>-</b>	<b>53,556.85</b>
Less: Impairment loss allowance	0.79	0.01	-	-	0.80
<b>Total – Net</b>	<b>3,187.86</b>	<b>41,686.78</b>	<b>8,681.41</b>	<b>-</b>	<b>53,556.05</b>
<b>As at 31 March 2024</b>					
Government and trust securities*1&3	356.89	33,613.53	2,270.60	-	36,241.02
Debt securities <sup>1</sup>	1,108.37	2,208.20	-	-	3,316.57
Fixed deposits	1,131.89	-	-	-	1,131.89
Mutual funds <sup>2</sup>	-	-	2,689.47	-	2,689.47
Equity instruments <sup>4</sup>	-	2,294.77	1,582.09	-	3,876.86
Certificate of deposit	147.52	1,453.24	-	-	1,600.76
TREPs (Tri-party repo)	672.19	-	-	-	672.19
Commercial paper	-	247.26	-	-	247.26
<b>Total – gross</b>	<b>3,416.86</b>	<b>39,817.00</b>	<b>6,542.16</b>	<b>-</b>	<b>49,776.02</b>
Less: Impairment loss allowance	1.44	0.02	-	-	1.46
<b>Total – Net</b>	<b>3,415.42</b>	<b>39,816.98</b>	<b>6,542.16</b>	<b>-</b>	<b>49,774.56</b>

All investments in 9A above are within India

\* includes investments in approved securities as per RBI Act.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 9A Shareholders' investments (Contd.)

1. For BFL :  
Includes carrying value of
  - (i) ₹ 4,651.84 crore (Previous year ₹ 4,628.28 crore) pledged towards floating charge in favour of trustees representing the public deposit holders of BFL towards maintenance of liquid assets as prescribed by RBI Act, 1934,
  - (ii) ₹ 3,930.77 crore (Previous year ₹ Nil) utilised for repurchase agreement borrowing (Repo) transaction,
  - (iii) ₹ 12,305.43 crore (Previous year ₹ 17,245.47 crore) pledged for Tri-party repo dealing and settlement (TREPs), and
  - (iv) ₹ 199.31 crore (Previous Year ₹ Nil) kept as margin for securities segment with Clearing Corporation of India Ltd. (CCIL).

For BALIC:

  - (i) Include securities placed with CCIL towards margin requirement/default fund for settlement of trades in the securities and Tri-party repo (TREPs) segment of ₹ 282.33 crore (31 March 2024: ₹ 436.84 crore)
  - (ii) Includes investments of ₹ 65.62 crore (31 March 2024: ₹ 157.55 crore) for unclaimed fund.

For BAGIC:

  - (i) BAGIC has not entered into any credit derivative to mitigate above credit risk.  
BAGIC received income of ₹ 1,934 crore (Previous year ₹ 1,778 crore) from its FVTOCI securities.  
Over the course of the year, BAGIC also sold FVTOCI debt instruments with a principal value of ₹ 27,972 crore (Previous year ₹ 21,076 crore). Additionally, out of the Company's FVTOCI debt portfolio, instruments with a principal of ₹ 43,320 crore (Previous year ₹ 47,372 crore) matured.
2. For BFL :  
Includes carrying value of
  - (i) ₹ Nil (Previous year ₹ 8.78 crore) under lien with Indian Clearing Corporation Ltd. for margin requirement
  - (ii) ₹ 5.57 crore (Previous year ₹ 5.19 crore) pledged in favour of National Securities Depository Ltd. (NDSL) as money margin.
3. For BFL :  
Includes carrying value of ₹ 25.22 crore (Previous year ₹ 522.27 crore) pledged in favour of CCIL for TREPs.
4. For BFL :  
Includes carrying value of ₹ 0.01 crore (Previous year ₹ 164.83 crore) pledged in favour of ICCL for margin requirement.



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 9B Policyholders' investments

(₹ In Crore)

Particulars	At amortised cost	At fair value			Total
		through other comprehensive income	through profit and loss	designated at fair value through profit and loss	
<b>As at 31 March 2025</b>					
Government and trust securities	-	27,990.02	6,048.31	19,075.91	53,114.24
Debt securities	-	13,908.51	3,877.91	14,174.80	31,961.22
Fixed deposits	652.27	-	-	-	652.27
Mutual funds	-	-	242.40	-	242.40
Equity instruments	-	1,936.49	46,187.86	-	48,124.35
TREPs (Tri-party repo)	2,079.19	-	-	-	2,079.19
Total – gross	2,731.46	43,835.02	56,356.48	33,250.71	136,173.67
Less: Impairment loss allowance	0.02	0.25	-	-	0.27
<b>Total – Net</b>	<b>2,731.44</b>	<b>43,834.77</b>	<b>56,356.48</b>	<b>33,250.71</b>	<b>136,173.40</b>
<b>As at 31 March 2024</b>					
Government and trust securities	-	24,389.84	6,564.12	22,389.53	53,343.49
Debt securities	-	9,835.07	2,010.47	7,469.53	19,315.07
AT 1 bonds	-	-	59.61	-	59.61
Mutual funds	-	-	395.11	-	395.11
Equity instruments	-	2,144.24	42,153.06	-	44,297.30
Fixed Deposits	539.27	-	-	-	539.27
TREPs (Tri-party repo)	2,019.75	-	-	-	2,019.75
Total – gross	2,559.02	36,369.15	51,182.37	29,859.06	119,969.60
Less: Impairment loss allowance	0.02	0.06	-	-	0.08
<b>Total – Net</b>	<b>2,559.00</b>	<b>36,369.09</b>	<b>51,182.37</b>	<b>29,859.06</b>	<b>119,969.52</b>

All investments in 9B above are within India

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 10 Other financial assets

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Reinsurance assets	14,419.79	11,384.83
Interest accrued on investments	5.13	6.43
Credit receivable for windpower generated	1.12	1.34
Security deposits	427.27	302.29
Advances receivable in cash or kind	163.52	353.86
Receivable from brokers and counter parties	650.27	373.23
Margin with exchanges	164.26	430.17
Credit cover under Government guarantee schemes	1,108.74	321.93
Receivable from debt management agencies	216.72	160.32
Interest only strips	474.58	27.42
Others	298.93	164.60
	17,930.33	13,526.42
<b>Change in reinsurance assets</b>		
At the beginning of the year	11,384.83	7,839.44
Add/(Less)		
Premium	1,588.49	2,257.99
Unwinding of the discount/interest credited	32.17	18.51
Insurance liabilities released	1,677.05	1,192.41
Others	(262.75)	76.48
	14,419.79	11,384.83

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**11A Deferred tax assets (net)**

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
<b>Deferred tax liabilities</b>		
On account of timing difference in		
Property, plant and equipment	39.67	29.85
Changes in fair value of FVTOCI debt securities - OCI	39.01	3.56
Other temporary differences	353.86	71.21
<b>Gross deferred tax liabilities</b>	432.54	104.62
<b>Deferred tax assets</b>		
On account of timing difference in		
Property, plant and equipment	3.34	1.46
Disallowance under section 43B of the Income Tax Act, 1961	134.02	103.47
Impairment of financial instruments	1,158.10	987.37
Changes in fair value of FVTOCI hedge reserve	31.56	3.57
Changes in fair value of FVTOCI equity instruments	18.58	9.75
Other temporary differences	288.48	27.17
<b>Gross deferred tax assets</b>	1,634.08	1,132.79
<b>Deferred tax assets (net)</b>	1,201.54	1,028.17

**11B Deferred tax liabilities (net)**

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
<b>Deferred tax liabilities</b>		
On account of timing difference in		
Property, plant and equipment	33.76	33.32
Amortisation of premium/discount on acquisition of debt securities	0.08	0.02
Changes in fair value of investments	720.02	690.55
Other temporary differences	155.22	81.93
<b>Gross deferred tax liabilities</b>	909.08	805.82
<b>Deferred tax assets</b>		
On account of timing difference in		
Provision for compensated absences	24.44	20.90
Defined benefit plan provisions - OCI	3.98	2.82
Amortisation of premium/discount on acquisition of debt securities	0.01	0.10
Changes in fair value of insurance contract liability	168.14	267.51
<b>Gross deferred tax assets</b>	196.57	291.33
<b>Deferred tax liabilities (net)</b>	712.51	514.49

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 11B Deferred tax liabilities (net) (Contd.)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
<b>Changes in deferred tax recorded in consolidated Statement of Profit and Loss</b>		
Deferred tax relates to the following		
Property, plant and equipment	9.84	19.47
Impairment of financial instruments	5.35	3.77
Disallowance under section 43B of the Income Tax Act, 1961	(25.85)	(22.73)
Financial instruments measured at EIR	(171.26)	0.02
Changes in fair value of investments	(251.15)	260.66
Changes in fair value of insurance contract liability	90.49	(11.84)
Other temporary differences	148.56	(272.51)
	(194.02)	(23.16)
<b>Changes in deferred tax recorded in other comprehensive income</b>		
Deferred tax relates to the following		
Changes in fair value of FVTOCI debt securities	(152.02)	(309.15)
Changes in fair value of investments	(197.14)	(179.29)
Defined benefit plan provisions	(0.79)	18.01
Cash flow hedge reserve	28.02	-
	(321.93)	(470.43)

### 12 Investment properties

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
<b>Gross carrying amount</b>		
Opening balance	37.86	41.77
Transfer from/to property, plant and equipment	(0.41)	(3.91)
Closing balance	37.45	37.86
<b>Accumulated depreciation</b>		
Opening balance	7.73	6.92
Depreciation charge	0.66	0.81
Closing balance	8.39	7.73
Net carrying amount	29.06	30.13

#### Fair value

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
Investment properties	127.38	120.74

#### Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Investment properties leased out by BFL are cancellable leases. The market rate for sale/purchase of such premises are representative of fair values. Group's investment properties are at a location where active market is available for similar kind of properties. Hence, fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**13A Property, plant and equipment****Current year**

(₹ In Crore)

Particulars	Gross block			As at 31 March 2025	Accumulated depreciation			As at 31 March 2025	Net block As at 31 March 2025
	As at 1 April 2024	Additions	Deductions/ adjustments		As at 1 April 2024	Deductions/ adjustments	For the year		
Land freehold	674.48	0.05	-	674.53	-	-	-	-	674.53
Buildings	794.15	1.94	22.29	773.80	190.10	22.66	12.35	179.79	594.01
Leasehold improvements	345.46	48.99	15.42	379.03	249.49	15.25	34.69	268.93	110.10
Information technology equipment	977.84	286.11	220.89	1,043.06	520.96	190.91	193.78	523.83	519.23
Electric installations	2.05	0.51	-	2.56	0.70	-	0.33	1.03	1.53
Office equipment	352.15	114.74	21.01	445.88	219.08	18.98	63.64	263.74	182.14
Furniture and fixtures	456.29	86.38	60.47	482.20	241.59	56.29	51.54	236.84	245.36
Electric fittings	2.64	0.04	1.15	1.53	2.13	1.14	0.08	1.07	0.46
Vehicles	463.79	237.89	60.87	640.81	130.17	30.25	99.57	199.49	441.32
Wind energy generators	283.72	-	-	283.72	269.53	-	-	269.53	14.19
Total	4,352.57	776.65	402.10	4,727.12	1,823.75	335.48	455.98	1,944.25	2,782.87

**Previous year**

(₹ In Crore)

Particulars	Gross block			As at 31 March 2024	Accumulated depreciation			As at 31 March 2024	Net block As at 31 March 2024
	As at 1 April 2023	Additions	Deductions/ adjustments		As at 1 April 2023	Deductions/ adjustments	For the year		
Land freehold	672.68	12.71	10.91	674.48	-	-	-	-	674.48
Buildings	769.29	24.86	-	794.15	176.69	(1.42)	11.99	190.10	604.05
Leasehold improvements	320.53	78.02	53.09	345.46	253.21	31.44	27.72	249.49	95.97
Freehold improvements	2.42	-	2.42	-	2.39	2.39	-	-	-
Information technology equipment	701.66	336.04	59.86	977.84	384.91	21.27	157.32	520.96	456.88
Electric installations	1.25	0.80	-	2.05	0.41	-	0.29	0.70	1.35
Office equipment	319.66	89.31	56.82	352.15	219.81	48.42	47.69	219.08	133.07
Furniture and fixtures	337.74	100.78	(17.77)	456.29	185.71	(2.36)	53.52	241.59	214.70
Electric fittings	2.51	0.13	-	2.64	2.06	-	0.07	2.13	0.51
Vehicles	302.40	203.06	41.67	463.79	77.22	20.23	73.18	130.17	333.62
Wind energy generators	283.72	-	-	283.72	269.53	-	-	269.53	14.19
Total	3,713.86	845.71	207.00	4,352.57	1,571.94	119.97	371.78	1,823.75	2,528.82

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 13B Right-of-use assets

#### Current year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2025	Accumulated depreciation			As at 31 March 2025	Net block As at 31 March 2025
	As at 1 April 2024	Additions	Deductions/ adjustments		As at 1 April 2024	Deductions/ adjustments	For the year		
Right-of-use assets	1,937.46	525.80	131.60	2,331.66	721.16	121.18	357.66	957.64	1,374.02

#### Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2024	Accumulated depreciation			As at 31 March 2024	Net block As at 31 March 2024
	As at 1 April 2023	Additions	Deductions/ adjustments		As at 1 April 2023	Deductions/ adjustments	For the year		
Right-of-use assets	1,264.46	782.52	109.52	1,937.46	531.01	80.14	270.29	721.16	1,216.30

### 14 Other intangible assets

#### Current year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2025	Accumulated depreciation			As at 31 March 2025	Net block As at 31 March 2025
	As at 1 April 2024	Additions	Deductions/ adjustments		As at 1 April 2024	Deductions/ adjustments	For the year		
Computer softwares	1,819.32	699.87	183.56	2,335.63	828.57	157.30	356.02	1,027.29	1,308.34

#### Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2024	Accumulated depreciation			As at 31 March 2024	Net block As at 31 March 2024
	As at 1 April 2023	Additions	Deductions / adjustments		As at 1 April 2023	Deductions/ adjustments	For the year		
Computer softwares	1,338.37	522.54	41.59	1,819.32	601.92	30.60	257.25	828.57	990.75

### 15 Other non-financial assets

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Capital advances	605.52	24.74
Indirect tax credits receivable	828.55	687.24
Others	662.98	731.11
	2,097.05	1,443.09



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**16 Trade payables**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Total outstanding dues of micro enterprises and small enterprises <sup>#</sup>	31.81	35.09
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Sundry creditors and dues to policyholders	2,976.45	3,073.07
Balances due to agents and other intermediaries	1,424.21	861.29
Balances due to other insurers	3,532.38	2,307.97
	7,933.04	6,242.33

**Trade payables ageing schedule**

(₹ In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>31 March 2025</b>						
MSME	8.42	23.39	-	-	-	31.81
Unbilled	1,319.48	-	-	-	-	1,319.48
Others	238.05	5,868.90	467.09	26.83	12.69	6,613.56
Disputed dues – other than MSME	-	-	-	-	-	-
<b>31 March 2024</b>						
MSME	12.56	22.53	-	-	-	35.09
Unbilled	1,177.00	-	-	-	-	1,177.00
Others	470.64	4,458.39	79.67	31.21	25.42	5,065.33
Disputed dues – other than MSME	-	-	-	-	-	-

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

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Principal amount due to suppliers under MSMED Act, as at the year end (since paid)	2.22	0.73
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	36.65	50.60
Interest paid to suppliers under MSMED Act (section 16)	0.42	0.64
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remain unpaid at the year end to suppliers under MSMED Act (since paid)	-	-

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 17 Other payables

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Total outstanding dues of micro enterprises and small enterprises	0.42	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2,595.13	1,864.69

### 18 Debt securities

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>In India</b>		
<b>A. At amortised cost</b>		
<b>(I) Secured</b>		
Redeemable non-convertible debentures [See note 46(6)]		
Secured and fully paid*	111,385.07	79,149.28
	111,385.07	79,149.28
<b>(II) Unsecured</b>		
Privately placed fully paid redeemable non-convertible debentures [See note 46(6)]	6,253.19	6,258.92
Privately placed partly paid redeemable non-convertible debentures [See note 46(6)]	2,641.49	2,014.82
Borrowings by issue of commercial papers [See note 46(6)]	27,460.43	24,829.52
	36,355.11	33,103.26
	147,740.18	112,252.54
<b>B. Out of above</b>		
In India	147,740.18	112,252.54
Outside India	-	-
	147,740.18	112,252.54

\*All the secured non-convertible debentures of BFL and one of its subsidiary viz. BHFL including those issued during year ended 31 March 2025 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Additionally, BFL had mortgaged one of its offices in Chennai on pari passu charge against specific secured NCDs issued till November 2020. BFL and one of its subsidiary viz. BHFL has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

-As a part of Interest rate risk management, BHFL has entered into INR interest rate swaps of a notional amount of ₹ 500 crore (Previous year ₹ 1,750 crore). The total outstanding as on 31 March 2025 is ₹ 2,350 crore (Previous year ₹ 1,850 crore).

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**19 Borrowings (other than debt securities)**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>A. In India</b>		
At amortised cost		
Term Loan [See note 46(7)]		
(i) from banks	84,844.61	79,258.27
(ii) from other National Housing Bank (NHB) <sup>#</sup>	8,372.40	6,837.59
Cash credit/overdraft facility	3,783.79	681.31
Working capital demand loan [See note 46(7)]	2,368.32	3,062.89
Tri-party repo dealing and settlement (TREPs) against Government securities by the Group [See note 46(7)]	11,676.78	15,758.96
Repurchase agreement borrowings (Repo) [See note 46(7)]	3,929.78	-
Securitisation liabilities* [See note 46(7)]	1,753.68	-
	116,729.36	105,599.02
<b>B. Outside India</b>		
External commercial borrowing (ECB)** [See note 46(7)]	15,373.63	6,018.45
	15,373.63	6,018.45
	132,102.99	111,617.47
<b>C. Out of above</b>		
Secured against hypothecation of assets under finance, book debts and other receivables	130,653.46	111,117.37
Unsecured	1,449.53	500.10
	132,102.99	111,617.47

<sup>#</sup>All the outstanding refinancing from NHB are secured by hypothecation of specific loans/book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms. BHFL has availed refinance facility from NHB of ₹ 2,893.75 crore during the year ended 31 March 2025 (Previous Year: ₹ 5,499.38 crore) against eligible individual housing loans under various refinance schemes including affordable housing scheme.

\*Represents associated liabilities in respect of securitisation transactions, the net outstanding value (net of investment in pass-through certificates) of the proceeds received by the Group from Trust. The Group has provided additional external credit enhancement to the Trust by way of cash collateral.

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

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

**20 Deposits**

(Unsecured)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>At amortised cost</b>		
Public deposits [See note 46(8)]*	41,792.22	38,012.62
From others [See note 46(8)]	29,610.91	22,138.30
	71,403.13	60,150.92

\*as defined in chapter II, para 3 (xiii) of Master directions - Non-Banking Financial Companies Acceptance of Public Deposits (Reserve Bank) Directions, 2016 as issued by RBI.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 21 Subordinated liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
<b>In India</b>		
<b>At amortised cost</b>		
Privately placed subordinated (Tier II) redeemable non-convertible debentures (Unsecured) [See note 46(9)]	3,103.54	3,577.90
	3,103.54	3,577.90

### 22 Lease liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
<b>At amortised cost</b>		
At the beginning of the year	1,333.79	823.69
Add: Interest on lease liabilities	113.42	86.47
Additions/(Deletions)	57.60	423.63
	1,504.81	1,333.79

### 23 Other financial liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
<b>At amortised cost</b>		
Unclaimed dividend	5.17	3.63
Directors' remuneration and commission payable	26.72	23.32
Employee benefits payable	146.72	103.43
Security deposits	167.20	151.11
Others	2,286.78	1,549.01
	2,632.59	1,830.50

### 24 Provisions

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
Provision for employee benefits [See note 45]		
Provision for gratuity	428.98	306.77
Provision for compensated absences	87.33	83.79
Provision for long-term incentive plan	79.41	88.77
Others*	80.94	53.71
	676.66	533.04

\*For BFL - includes impairment allowance on undrawn loan commitments :

ECL on undrawn loan commitments is the present value of the difference between :

- contractual cash flow that are due, if the holder of the loan commitments draw down the loan and
- the cash flow that the entity expects to receive if the loan is drawn down.

ECL on loan commitments are consistent with its expectations of drawdowns on that loan commitments i.e. it shall consider the expected portion of the loan commitment that are expected to be drawn down within 12 months of the reporting date when estimating 12-month ECL.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**25 Other non-financial liabilities**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Taxes and duties payable	1,035.07	996.90
Solatium fund	22.07	25.66
Premiums received in advance	2,583.09	1,868.55
Unallocated premium	1,345.88	1,183.24
Other payables	215.62	35.62
	5,201.73	4,109.97

**26 Equity share capital**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Authorised</b>		
2,000,000,000 equity shares of ₹ 1 each	200.00	200.00
<b>Issued, subscribed and fully paid-up shares</b>		
1,596,662,097 (31 March 2024: 1,595,488,813) equity shares of ₹ 1 each	159.67	159.55
Less: 655,219 (31 March 2024: 1,360,460) equity shares of ₹ 1 each held in Trust for employees under ESOP scheme*	0.07	0.14
	159.60	159.41

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	₹ In Crore	Nos.	₹ In Crore
<b>Equity shares</b>				
At the beginning of the year	1,595,488,813	159.55	1,592,815,460	159.28
Add: Issued during the year to Trust for employees under ESOP scheme*	1,173,284	0.12	2,673,353	0.27
	1,596,662,097	159.67	1,595,488,813	159.55
Less: Equity shares held in the Trust for employees under ESOP scheme*	655,219	0.07	1,360,460	0.14
Outstanding at the end of the year (excluding shares held in ESOP trust)	1,596,006,878	159.60	1,594,128,353	159.41

\* On 27 May 2024, the Allotment Committee allotted 1,173,284 equity shares of face value of ₹ 1 each to Bajaj Finserv ESOP trust under Bajaj Finserv Ltd. Employee Stock Option Scheme. The shares were listed on BSE Ltd. and National Stock Exchange of India Ltd. w.e.f. 10 June 2024.

**b. Terms/rights attached to equity shares**

The Holding Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared (if any) by the Board of Directors and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Holding Company, the holders of equity shares will be entitled to receive remaining assets of the Holding Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 26 Equity share capital (Contd.)

#### c. Details of shareholders holding more than 5% shares in the Holding Company

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	% holding	Nos.	% holding
<b>Equity shares of ₹ 1 each fully paid</b>				
Bajaj Holdings & Investment Ltd.	623,142,140	39.03%	623,142,140	39.06%
Jamnalal Sons Pvt. Ltd.	154,900,840	9.70%	154,900,840	9.71%

#### d. Shares reserved for issue at a subsequent date

137,980 equity shares of ₹ 1 each (31 March 2024: 137,980 equity shares of ₹ 1 each) offered by way of right in an earlier year, have been held in abeyance pending adjudication of title and subscription thereafter.

#### e. Details of promoter shareholding

See note 16(e) of standalone financial statements

### 27 Other equity

#### a. Reserves and surplus

Particulars	As at 31 March	
	2025	2024
<b>Securities premium</b>		
Balance as at the beginning of the year	14,539.54	9,685.44
Add/(Less): Adjustment because of change in shareholding in subsidiary	13.03	(202.12)
Add/(Less): Received during the year	(577.75)	4,517.01
Add: On issue of shares to Trust for employees pursuant to ESOP scheme	288.60	462.77
Less: Share issue expenses	0.06	17.73
Add: On exercise of options by employees pursuant to ESOP scheme	139.83	94.17
	14,403.19	14,539.54
Less: Premium on equity shares held in Trust for employees under the ESOP scheme	89.69	139.89
Balance as at the end of the year	14,313.50	14,399.65
<b>General reserve</b>		
Balance as at the beginning of the year	2,090.69	2,093.42
Add/(Less): Adjustment because of change in shareholding in subsidiary	0.38	(9.08)
Add: Transfer on cancellation of stock options	15.56	6.35
Balance as at the end of the year	2,106.63	2,090.69
<b>Share based payments reserve</b>		
Balance as at the beginning of the year	613.07	470.89
Add/(Less): Adjustment because of change in shareholding in subsidiary	0.34	(6.38)
Add: Charge for the year	361.63	250.94
Less: Transfer on exercise of option	142.07	96.03
Less: Transfer on cancellation of stock options	15.56	6.35
Balance as at the end of the year	817.41	613.07

(₹ In Crore)



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 27 Other equity (Contd.)

Particulars	As at 31 March	
	(₹ In Crore)	
	2025	2024
<b>Treasury shares</b>		
Balance as at the beginning of the year	(104.31)	(117.48)
Add: Movement during the year	40.40	13.17
Balance as at the end of the year	(63.91)	(104.31)
<b>Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934</b>		
Balance as at the beginning of the year	5,198.99	3,988.62
Add/(Less): Adjustment because of change in shareholding in subsidiary	4.96	(88.63)
Add: Transferred from surplus in consolidated Statement of Profit and Loss	1,713.86	1,299.00
Balance as at the end of the year	6,917.81	5,198.99
<b>Reserve fund in terms of section 29C of the National Housing Bank Act, 1987</b>		
Balance as at the beginning of the year	225.26	171.90
Add/(Less): Adjustment because of change in shareholding in subsidiary	0.21	(3.76)
Add: Transferred from surplus in consolidated Statement of Profit and Loss	68.13	57.12
Balance as at the end of the year	293.60	225.26
<b>Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961</b>		
Balance as at the beginning of the year	274.51	157.30
Add/(Less): Adjustment because of change in shareholding in subsidiary	0.26	(3.45)
Add: Transferred from surplus in consolidated Statement of Profit and Loss	154.17	120.66
Balance as at the end of the year	428.94	274.51
<b>Retained earnings</b>		
Balance as at the beginning of the year	36,205.27	30,078.41
Add/(Less): Adjustment because of change in shareholding in subsidiary	28.86	(384.51)
Add: Transfer on exercise of stock options	2.24	1.86
Profit for the year	8,872.31	8,147.79
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gain/(loss) of defined benefit plans	(21.46)	(32.84)
Adjustment for change of ownership interest in subsidiary without loss of control	2,061.35	-
Reclassification of gain on sale of FVTOCI equity instruments (net of tax impacts)	518.43	-
Less: Appropriations		
Final dividend, declared and paid during the year	159.67	127.43
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	1,713.86	1,299.00
Transfer to Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	68.13	57.12
Transfer to Infrastructure reserve in terms of section 36(1)(viii) of the Income-tax Act, 1961	154.17	120.66
Adjustment of dividend to ESOP trust	0.90	1.23
<b>Total appropriations</b>	2,096.73	1,605.44
Balance as at the end of the year	45,570.27	36,205.27

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 27 Other equity (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
<b>Other reserves</b>		
<b>Debt instruments through other comprehensive income</b>		
Balance as at the beginning of the year	249.55	(312.77)
Add/(Less): Adjustment because of change in shareholding in subsidiary	(0.87)	0.22
Add/(Less): Changes in fair value of FVTOCI debt securities	798.09	562.10
Balance as at the end of the year	1,046.77	249.55
<b>Equity instruments through other comprehensive income</b>		
Balance as at the beginning of the year	534.83	(1.49)
Add/(Less): Adjustment because of change in shareholding in subsidiary	0.01	0.93
Add/(Less): Changes in fair value of FVTOCI equity securities	82.41	535.39
Less: Reclassification of gain on sale of FVTOCI equity instruments (net of tax impacts)	(518.43)	-
Balance as at the end of the year	98.82	534.83
<b>Hedge instruments through other comprehensive income</b>		
Balance as at the beginning of the year	481.72	42.75
Add/(Less): Adjustment because of change in shareholding in subsidiary	-	(0.08)
Add/(Less): Changes in fair value of FVTOCI hedge instruments	221.81	439.05
Balance as at the end of the year	703.53	481.72
<b>Cost of hedging reserve through other comprehensive income</b>		
Balance as at the beginning of the year	-	-
Add/(Less): Adjustment because of change in shareholding in subsidiary	-	-
Add/(Less): Changes in fair value of cost of hedging reserve	2.34	-
Balance as at the end of the year	2.34	-
	72,235.71	60,169.23

#### b. Nature and purpose of reserve

##### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance section 52 and other provisions of the Companies Act, 2013.

##### General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

##### Share based payments reserve

Share based payments reserve is created as required by Ind AS 102 'Share Based Payments' on the employee stock option scheme operated by the Group.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**27 Other equity** (Contd.)**Treasury shares**

The reserve for shares of the Holding Company held by the BFS ESOP trust (ESOP trust). Holding Company has issued employees stock option scheme for its employees. The equity shares of the Holding Company have been purchased and held by ESOP trust. Trust to transfer such shares to employees at the time of exercise of option by employees.

**Reserve fund in terms of section 45 IC(1) of the Reserve Bank of India Act, 1934**

Reserve fund is created as per the terms of section 45 IC(1) of the Reserve Bank of India Act, 1934 as a statutory reserve.

**Reserve fund in terms of section 29C of the National Housing Bank Act, 1987**

Reserve fund is created as per the terms of section 29C of the National Housing Bank Act, 1987 as a statutory reserve.

**Infrastructure reserve in terms of section 36(1)(viii) of the Income-tax Act, 1961**

Infrastructure reserve is created to avail the deduction as per the provisions of section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes and for development of infrastructure facility in India.

**Retained earnings**

Retained earnings represents the surplus in profit and loss account that the Holding Company has earned till date, less any transfers to general reserve, special reserve, dividends or other distributions paid to shareholders, reclassification of gain/(loss) on sale of FVTOCI equity instruments and balance of remeasurement of net defined benefit plans. Retained earnings is a free reserve.

**Debt instruments through other comprehensive income**

The Group recognises changes in the fair value of debt instruments held with a dual business objective of collect and sell in other comprehensive income. These changes are accumulated in the FVTOCI debt instruments reserve. The Group transfers amounts from this reserve to profit or loss when the debt instrument is sold. Any impairment loss on such instruments is reclassified immediately to the consolidated Statement of Profit and Loss.

**Equity instruments through other comprehensive income**

The Group has elected to recognise changes in the fair value of certain instruments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity instruments reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

**Hedge instruments through other comprehensive income**

It represents the cumulative gain/(loss) arising on revaluation of the derivative instruments designated as cash flow hedges through OCI.

**Cost of hedging reserve through other comprehensive income**

The Group has elected to exclude the forward element and designate only the change in spot element of the forward contract as the hedging instrument in the cash flow hedge for foreign currency risk. Since the forward element of the forward contract is separated, the change in fair value of such excluded portion is accounted as cost of hedging. Since the forward contract (hedge instrument) is fully aligned with the foreign currency liability (hedged item), the entire portion of forward element is considered as the 'aligned' component and accumulated in a separate component of equity as 'cost of hedging reserve'.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 28 Interest income

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Interest income on		
Loans (at amortised cost)	52,584.52	41,638.99
Loans (at FVTOCI)	5,939.36	5,039.51
Investments (at amortised cost)	428.46	303.96
Investments (at FVTPL)	2,357.71	2,145.56
Investments (at FVTOCI)	5,180.95	2,556.61
Others	958.06	2,108.56
	67,449.06	53,793.19

### 29 Fees and commission income

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Loan related charges	2,134.84	1,772.75
Non-loan related charges	1,004.37	268.73
Foreclosure income	510.57	439.59
Distribution income	1,766.53	2,946.51
Asset management services	32.53	8.11
Trusteeship fee	0.33	0.16
	5,449.17	5,435.85

### 30 Net gain/(loss) on fair value changes

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Net gain/(loss) on financial instruments at FVTPL		
Debt instruments at FVTPL	403.66	287.41
Equity investments at FVTPL	1,534.12	2,664.73
Profit on sale on investments	52.73	(15.25)
Others		
Gain/(loss) on sale of debt instrument at amortised cost	(0.02)	0.11
Gain/(loss) on sale of debt FVTOCI instruments	169.86	(101.19)
	2,160.35	2,835.81
Fair value changes		
Realised	3,320.85	1,299.00
Unrealised	(1,160.50)	1,536.81
	2,160.35	2,835.81

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**31 Sale of services**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Windpower income		
Income from power generation (within India)	22.28	22.80
Income from Renewable Energy Certificates (REC) (within India)	-	1.28
	22.28	24.08
Service income	831.29	518.01
Service fees for management of assigned portfolio of loans	105.76	113.03
	959.33	655.12

**32 Others**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Bad debt recoveries	714.90	854.28
Marketing, branding and allied services	490.97	122.74
Income on derecognised (assigned) loans	552.04	13.33
Miscellaneous charges and receipts*	404.70	186.53
	2,162.61	1,176.88

\* BFL has received a government grant relating to Payment Infrastructure Development Fund (PIDF) scheme of ₹ 1.21 crore in current year (Previous year ₹ 7.14 crore). The same is an income grant and is presented on a gross basis (i.e. without netting it from the related expenses) as permitted under Ind AS 20 - 'Accounting for Government Grants and Disclosure of Government Assistance'. BFL does not have any unfulfilled conditions relating to the grant recognised.

**33 Other income**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Business support service	1.07	0.38
Surplus on sale of property, plant and equipment	-	0.25
Provision no longer required	-	0.46
	1.07	1.09

**34 Employee benefits expenses**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Salaries, wages and bonus to employees	10,874.79	9,321.53
Contribution to provident and other funds	524.38	443.33
Share based payments to employees	545.61	392.52
Staff welfare expenses	124.84	203.57
	12,069.62	10,360.95

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 35 Finance costs

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
On financial liabilities measured at amortised cost		
Interest on deposits	5,147.48	4,040.50
Interest on borrowings other than debt securities	8,727.26	6,667.25
Interest on debt securities	9,998.08	7,278.29
Interest on subordinated liabilities	277.69	302.60
Interest on lease liabilities	113.42	86.47
Other interest expenses	45.77	24.40
	24,309.70	18,399.51

### 36 Fees and commission expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
Commission and incentives	107.44	15.62
Recovery costs	1,973.59	1,624.54
Commission, operating and other expenses pertaining to insurance business	6,030.53	4,842.85
Others	604.10	487.59
	8,715.66	6,970.60

### 37 Impairment on financial instruments

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
Expected credit losses		
on loans measured at amortised cost	7,863.87	4,548.61
on loans measured at FVTOCI	44.62	0.55
on other financial assets measured at amortised cost	73.98	100.66
on other financial assets measured at FVTOCI	(34.89)	(16.24)
	7,947.58	4,633.58

### 38 Depreciation, amortisation and impairment

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
Depreciation on property, plant and equipment	455.98	371.78
Depreciation on investment properties	0.66	0.81
Amount amortised/written off of intangible asset	356.02	257.25
Depreciation on right-of-use assets	357.66	270.29
	1,170.32	900.13



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**39 Other expenses**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Rent	128.33	84.00
Repairs and maintenance - building and others	345.06	212.08
Repairs and maintenance - windpower	8.91	8.75
Energy generation expenses	0.29	0.11
REC registration, issuance and brokerage charges	-	0.11
Rates and taxes	124.36	56.13
Insurance	16.84	13.78
Payment to auditor	6.82	5.51
Directors' fees and travelling expenses	22.04	16.12
Commission to non-executive directors	2.85	3.09
Loss on sale/disposal of property, plant and equipment	36.34	12.66
Advertisement and publicity	1,352.10	1,220.56
Travelling (including foreign travel) expenses	674.46	604.70
Business support service expenses	12.44	30.25
Expenditure towards Corporate Social Responsibility (CSR) activities	342.18	251.26
Legal and professional charges	285.11	272.62
Communication expenses	266.13	269.32
Outsourcing/back office expenses	951.56	915.48
Marketing and support services	307.45	43.88
Bank charges	277.62	207.02
Information technology expenses	1,172.10	1,067.45
Miscellaneous expenses*	598.27	807.52
	6,931.26	6,102.40

\* For BFL - Includes donation of ₹ 25 crore (Previous year ₹ Nil) made to political parties

**Payments to auditor**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>As auditor</b>		
Audit fee	4.79	3.66
Tax audit fee	0.38	0.43
Limited review	0.50	0.54
Other services (certification fees and other matters)	0.67	0.56
Reimbursement of expenses	0.48	0.32
	6.82	5.51

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 40 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
<b>Tax expense</b>		
Current tax		
Current tax on profit for the year	6,722.88	5,802.83
Adjustments for current tax of prior periods*	(338.29)	-
Total current tax expense	6,384.59	5,802.83
Deferred tax		
Decrease/(increase) in deferred tax assets	6.31	(6.50)
(Decrease)/increase in deferred tax liabilities	(200.33)	(16.66)
Total deferred tax expense/(benefit)	(194.02)	(23.16)
<b>Tax expense</b>	<b>6,190.57</b>	<b>5,779.67</b>

\*For BFL :

During the year, the Group has re-assessed its tax position based on favorable orders of various courts and tribunals. Accordingly, the Group has reversed tax expense for earlier years and reduced the current year's tax provision.

### 41 Earnings Per Share (EPS)

Particulars	For the year ended 31 March	
	2025	2024
Profit for the year (₹ In Crore)	8,872.31	8,147.79
Weighted average number of shares outstanding during the year (Nos)	1,595,488,813	1,592,815,460
Weighted average number of shares outstanding during the year (Nos) - Diluted	1,611,651,382	1,608,289,294
Earnings per share (Basic) ₹	55.6	51.2
Earnings per share (Diluted) ₹	55.0	50.7
Face value per share ₹	1.0	1.0

### 42A Contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
a. Claims against Group not acknowledged as debts	147.22	127.73
b. Income-tax matters under dispute		
Appeal by the Group	93.93	7.92
Appeal by the Department	-	0.28
c. ESI matters under appeal	5.14	5.14
d. PF matters under appeal	110.76	-
e. VAT matters under appeal	6.03	6.03
f. Service tax matters under appeal		
On interest subsidy	2,422.92	2,293.64
On interest collected upfront [Refer footnote (iii) below]	874.79	-
On others	724.42	696.55
g. Claims, under policies, not acknowledged as debts*		
Death repudiation cases pending	122.45	99.28
Cases pending against servicing failure	10.74	9.19
h. Other matters	75.71	-
i. Guarantees given by or on behalf of the Group	52.08	2.50
j. Statutory demands/liabilities under GST	365.77	73.88

\*Pertains to litigations pending with various consumer forums/courts.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**42A Contingent liabilities** (Contd.)

- i) The Group is of the opinion that the above demands are not tenable and expects to succeed in its appeals/defense.
- ii) The Commissioner, Service Tax Commissionerate Pune, through an order dated 31 March 2017, has confirmed the demand of service tax of ₹ 644.65 crore and penalties of ₹ 198.95 crore from the Group in relation to the interest subsidy received by BFL from manufacturers and dealers during the period starting from 1 April 2010 till 30 September 2016. The Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date BFL pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 1,077.62 crore. In accordance with legal advice, BFL filed an appeal on 6 July 2017 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai disputing the demands. BFL, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.  
  
In addition, the Principal Commissioner, Central GST and Central Excise, Commissionerate Pune-I, through order dated 3 February 2021, has confirmed the demand of service tax of ₹ 217.22 crore and penalty thereon of ₹ 21.72 crore from BFL in relation to the interest subsidy received by BFL from manufacturers and dealers during the period starting from 1 October 2016 till 30 June 2017. The Principal Commissioner has also demanded payment of interest on the demand of service tax confirmed until the date BFL pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 262.76 crore. In accordance with legal advice, BFL filed an appeal on 14 June 2021 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT), Mumbai against the said demand. BFL, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.
- iii) The Joint Commissioner, Central Tax, Pune-II Commissionerate, through an order dated 21 January 2025, has confirmed the demand of GST of ₹ 341.29 crore and penalty of ₹ 341.29 crore from BFL in relation to interest collected upfront by BFL from its customers during the period starting from 1 July 2017 till 31 March 2024, alleging that the interest collected upfront is in the nature of fees/charges. The Joint Commissioner has also demanded payment of interest on the demand of GST confirmed until the date BFL pays the GST liability demanded, which as at 31 March 2025 amounted to ₹ 192.21 crore. In accordance with legal advice, BFL is in the process of filing an appeal before the office of the Commissioner (Appeals), Pune disputing demand. BFL, in line with the opinion obtained from a senior legal counsel, is of view that the said demands are not tenable.
- iv) The Commissioner, Central Excise and CGST, Pune-I, Commissionerate, through an order dated 15 November 2021, has confirmed the demand of service tax of ₹ 188.37 crore and penalty of ₹ 188.37 crore from BFL alleging short reversal of Cenvat credit with respect to investment activity undertaken by BFL, in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period starting from 1 October 2014 till 30 June 2017. In addition, the Commissioner has demanded payment of interest on the demand of service tax confirmed until the date BFL pays the service tax demanded, which as at 31 March 2025 amounted to ₹ 253.58 crore. In accordance with legal advice, BFL filed an appeal on 17 February 2022 with the Customs, Excise and Service Tax Appellate Tribunal (CESTAT) Mumbai disputing the demands. BFL, in line with the opinion obtained from a legal counsel, is of view that the said demands are not tenable.
- v) It is not practicable for BFL to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.
- vi) During the year ended 31 March 2025, BAGIC has received an order from Directorate General of GST Intelligence (the 'DGGI') confirming the demand amounting to ₹ 44.04 crore (excluding interest and penalty) in respect of alleged incorrect availment of input tax credit ('ITC') on certain marketing expenses incurred by BAGIC. Based on BAGIC's assessment of prevailing laws, ITC availed by it is in compliance with the provisions of applicable laws. Accordingly, an appeal against the order shall be filed and the matter shall be contested on merits and relevant provisions.
- vii) During the year ended 31 March 2025, BAGIC has received an order passed under section 7A of Employees Provident Fund and Miscellaneous Provisions Act, 1952 for the period from September 2014 to August 2019 from Regional Provident Fund Commissioner, Pune claiming provident fund contribution amounting to ₹ 44.45 crore (and interest of ₹ 31.26 crore) related to certain allowances paid to employees but not

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 42A Contingent liabilities (Contd.)

considered as part of basic wages. Based on the legal advice received, BAGIC has contested the order by filing an appeal. Accordingly, the said order has been assessed by BAGIC as contingent liability as at 31 March 2025.

- viii) Further, during the year ended 31 March 2025, BAGIC has received an order from income tax department disallowing certain expenses alleging that these are ineligible expenses and has demanded an amount of ₹ 50.48 crore. Based on Company's assessment of prevailing laws, deduction of expenses is in compliance with the provisions of applicable laws. Accordingly, an appeal against the order shall be filed and the matter shall be contested on merits and relevant provisions.
- ix) During the year ended 31 March 2025, BALIC has received a demand order amounting to ₹ 191.44 crore (including penalty of ₹ 143.58 crore) in respect of availment of certain input tax credit ('ITC') by BALIC. Based on the legal advice received, BALIC believes that ITC availed is in compliance with the provisions of applicable laws, accordingly the appeal shall be filed against the said demand order and the matter shall be contested. Hence, the said demand order has been assessed by BALIC as contingent liability as at 31 March 2025.
- x) During the year ended 31 March 2025, BALIC has received an order passed under section 7A of Employees Provident Fund and Miscellaneous Provisions Act, 1952 for the period from September 2014 to August 2019 from Regional Provident Fund Commissioner, Pune claiming provident fund contribution amounting to ₹ 63.76 crore (and interest of ₹ 57.29 crore) related to certain allowances paid to employees but not considered as part of basic wages. Based on the legal advice received, BALIC has contested the order by filing an appeal. Accordingly, the said order has been assessed by BALIC as contingent liability as at 31 March 2025.

### 42B Capital and other commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
Capital commitments, net of capital advances	190.99	72.45
Commitments made for investments	208.72	197.33
Partly paid share warrants*	-	891.64
Commitment for acquisition by subsidiary@	-	325.00
Other commitments towards partially disbursed/un-encashed loans/future CSR spend	5,566.62	5,500.63

@ In previous year ended, the Holding Company had agreed to invest a sum of ₹ 325 crore in Bajaj Finserv Health Ltd., a wholly owned subsidiary of the Holding company to complete the acquisition of Vidal Healthcare Services Pvt. Ltd. During the year ended 31 March 2025, Bajaj Finserv Health Ltd. completed acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd.

\* The Holding Company had subscribed to 1,550,000 warrants of Bajaj Finance Ltd. on preferential basis at an issue price of ₹ 7,670 per warrant convertible into equivalent number of equity shares of the face value of ₹ 2 each. These warrants were allotted on 2 November 2023. The Holding Company had paid 25% of the issue price amounting to ₹ 297.21 crore on 2 November 2023 and the remaining 75% of the consideration amounting to ₹ 891.64 crore was paid on 26 March 2025. Accordingly, Bajaj Finance Ltd. has allotted 1,550,000 equity shares on 26 March 2025.

- i) BALIC holds investments with commitments outstanding as at 31 March 2025 of ₹ 389.74 crore (At 31 March 2024: ₹ 680.31 crore)
- ii) BALIC made a commitments for Alternative Investment Fund (AIF) investments is ₹ 152.67 crore as at 31 March 2025 (as at 31 March 2024: ₹ 162.33 crore) (net of amount already paid) and other assets as at 31 March 2025 were ₹ 57.81 crore (as at 31 March 2024: ₹ 65.81 crore).

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**42B Capital and other commitments** (Contd.)

- iii) On 17 March 2025, Bajaj Finserv Ltd. (BFS), the promoter and the Holding Company has executed Share Purchase Agreements (SPAs) for the acquisition of 26% equity stake owned by Allianz in its insurance subsidiaries, viz. Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC), with participation by the promoter and promoter group entities of BFS. The acquisition will be in one or more tranches, of which the initial first tranche shall be at least 6.1% stake. Upon completion of the initial first tranche, the joint venture agreements between the Company and Allianz SE will be terminated.

Pursuant to the above, BFS would be acquiring from Allianz, subject to approvals of the Competition Commission of India, Insurance Regulatory Development Authority of India and other customary approvals, 1.01% equity stake in each of the companies as a part of the initial first tranche of acquisition.

BFS has also executed share purchase agreement (SPA) for the acquisition, subject to required regulatory approvals, of 50% equity stake owned by Allianz in Bajaj Allianz Financial Distributors Ltd. (BAFDL).

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 43 Segment information

Segment information is based on the consolidated financial statements.

#### Segment wise revenue, results and capital employed for the year ended 31 March 2025

##### (a) Primary Segment : Business Segment

(₹ In Crore)

	Life insurance	General insurance	Windmill	Retail financing	Investments and others	Consolidated
<b>Revenue</b>						
External sales and other income	31,621.61	31,824.46	22.28	69,040.06	1,313.71	133,822.12
Inter segment sales and other income	517.33	209.74	-	684.72	2,692.17	4,103.96
<b>Total revenue</b>	<b>32,138.94</b>	<b>32,034.20</b>	<b>22.28</b>	<b>69,724.78</b>	<b>4,005.88</b>	<b>137,926.08</b>
<b>Segment result</b>	<b>165.08</b>	<b>2,130.38</b>	<b>13.78</b>	<b>22,249.47</b>	<b>(810.50)</b>	<b>23,748.21</b>
Tax expense	-	-	-	-	-	6,190.57
Non-controlling interest	-	-	-	-	-	8,685.33
<b>Net profit</b>	<b>165.08</b>	<b>2,130.38</b>	<b>13.78</b>	<b>22,249.47</b>	<b>(810.50)</b>	<b>8,872.31</b>
<b>Segment assets</b>	<b>128,373.36</b>	<b>54,690.81</b>	<b>33.18</b>	<b>465,084.55</b>	<b>2,796.33</b>	<b>650,978.23</b>
Unallocated corporate assets	-	-	-	-	-	51.84
<b>Total assets</b>	<b>128,373.36</b>	<b>54,690.81</b>	<b>33.18</b>	<b>465,084.55</b>	<b>2,796.33</b>	<b>651,030.07</b>
<b>Segment liabilities</b>	<b>119,465.50</b>	<b>42,538.79</b>	<b>1.13</b>	<b>5,873.05</b>	<b>792.60</b>	<b>168,671.07</b>
Unallocated corporate liabilities	-	-	-	-	-	63.96
<b>Total liabilities</b>	<b>119,465.50</b>	<b>42,538.79</b>	<b>1.13</b>	<b>5,873.05</b>	<b>792.60</b>	<b>168,735.03</b>
<b>Capital employed</b>	<b>8,907.86</b>	<b>12,152.02</b>	<b>32.05</b>	<b>459,211.50</b>	<b>2,003.73</b>	<b>482,295.04</b>

Business segments of the consolidated group have been identified as distinguishable components that are engaged in a group of related product or services and that are subject to risks and returns different from other business segments. Accordingly Life Insurance, General Insurance, Windmill, Retail financing and Investments and others have been identified as the business segments.

(b) All the companies included in above reporting operate within India. Hence geographic segment is not applicable.

#### Segment wise revenue, results and capital employed for the year ended 31 March 2024

##### (a) Primary Segment : Business Segment

(₹ In Crore)

	Life insurance	General insurance	Windmill	Retail financing	Investments and others	Consolidated
<b>Revenue</b>						
External sales and other income	27,421.03	27,143.48	24.08	54,734.89	1,059.52	110,383.00
Inter segment sales and other income	252.10	155.80	-	247.62	2,130.40	2,785.92
<b>Total revenue</b>	<b>27,673.13</b>	<b>27,299.28</b>	<b>24.08</b>	<b>54,982.51</b>	<b>3,189.92</b>	<b>113,168.92</b>
<b>Segment result</b>	<b>634.88</b>	<b>1,765.23</b>	<b>12.94</b>	<b>19,802.68</b>	<b>(840.70)</b>	<b>21,375.03</b>
Tax expense	-	-	-	-	-	5,779.67
Non-controlling interest	-	-	-	-	-	7,447.57
<b>Net profit</b>	<b>634.88</b>	<b>1,765.23</b>	<b>12.94</b>	<b>19,802.68</b>	<b>(840.70)</b>	<b>8,147.79</b>
<b>Segment assets</b>	<b>112,605.84</b>	<b>47,225.50</b>	<b>41.30</b>	<b>374,957.56</b>	<b>2,019.54</b>	<b>536,849.74</b>
Unallocated corporate assets	-	-	-	-	-	51.72
<b>Total assets</b>	<b>112,605.84</b>	<b>47,225.50</b>	<b>41.30</b>	<b>374,957.56</b>	<b>2,019.54</b>	<b>536,901.46</b>
<b>Segment liabilities</b>	<b>103,656.58</b>	<b>36,251.56</b>	<b>0.39</b>	<b>5,673.24</b>	<b>441.28</b>	<b>146,023.05</b>
Unallocated corporate liabilities	-	-	-	-	-	17.41
<b>Total liabilities</b>	<b>103,656.58</b>	<b>36,251.56</b>	<b>0.39</b>	<b>5,673.24</b>	<b>441.28</b>	<b>146,040.46</b>
<b>Capital employed</b>	<b>8,949.26</b>	<b>10,973.94</b>	<b>40.91</b>	<b>369,284.32</b>	<b>1,578.26</b>	<b>390,861.00</b>

Business segments of the consolidated group have been identified as distinguishable components that are engaged in a group of related product or services and that are subject to risks and returns different from other business segments. Accordingly Life Insurance, General Insurance, Windmill, Retail financing and Investments and others have been identified as the business segments.

(b) All the companies included in above reporting operate within India. Hence geographic segment is not applicable.



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 44 Disclosure of transactions with related parties as required by Ind AS 24

(₹ In Crore)

Name of related party and nature of relationship		Nature of transaction	FY 2024-25		FY 2023-24	
			Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
A. Since consolidated financial statements present information about the holding and its subsidiaries as a single reporting enterprise, it is unnecessary to disclose intra - group transactions.						
B. Joint ventures and investing parties						
Bajaj Holdings & Investment Ltd. (investing party - holds 39.03 % shares of Bajaj Finserv Ltd.)	Contribution to equity (623,142,140 shares of ₹ 1 each)	-	(62.31)	-	(62.31)	
	Dividend paid	62.31	-	49.85	-	
	Business support services received	25.56	0.63	25.13	-	
	Business support services rendered	0.83	-	1.03	-	
	Other payments	2.24	-	3.90	-	
	Insurance premium received by BAGIC/BALIC	1.36	-	1.32	-	
	Unallocated premium	-	(1.70)	-	(1.70)	
	Billable expenses reimbursement received	-	-	1.01	-	
	Billable expenses reimbursed on behalf	4.27	-	2.03	-	
	Security deposit	-	0.70	0.70	0.70	
	Rent paid	1.99	-	1.17	-	
	Rent received	*	-	*	-	
Bajaj Allianz Financial Distributors Ltd. (a joint venture - 50% shares held by Bajaj Finserv Ltd.)	Contribution to equity (1,200,000 shares of ₹ 10 each)	-	1.20	-	1.20	
	Services received	3.70	-	2.64	-	
	Insurance premium received by BAGIC/BALIC	0.08	-	0.06	-	
	Insurance commission paid by BAGIC/BALIC	2.03	-	1.20	-	
	Unallocated premium	-	(0.09)	-	(0.12)	
Bajaj Allianz Staffing Solutions Ltd. (100% owned subsidiary of Bajaj Allianz Financial Distributors Ltd..)	Insurance premium received by BAGIC/BALIC	2.23	-	1.65	-	
	Unallocated premium	-	(0.14)	-	(0.07)	
	Manpower supply charges	184.84	-	164.73	-	
	Business support services received	3.79	-	2.34	-	
	Other receipts	0.14	-	0.22	-	
	Security deposits received	0.02	(0.07)	-	(0.05)	
C. Individuals controlling voting power/exercising significant influence and their relatives						
Late Madhur Bajaj (Up to 24 July 2024)	Sitting fees	-	-	0.07	-	
	Commission	-	-	0.21	(0.21)	
Rajiv Bajaj	Sitting fees	0.14	-	0.12	-	
	Commission	0.49	(0.46)	0.43	(0.40)	
Shefali Bajaj	Deposit paid	-	0.41	-	0.41	
	Rent paid	0.52	-	0.50	-	
Sanjiv Bajaj (Chairman & Managing Director) (Also key management personnel)	Short-term employee benefits (including commission)	40.47	(28.77)	33.93	(24.40)	
	Post-employment benefits	2.41	-	2.04	-	
	Deposit paid	1.08	2.16	-	1.08	
	Rent paid	1.51	-	1.15	-	
	Sitting fees	0.53	-	0.39	-	
Late D J Balaji Rao (Up to 28 November 2023)	Sitting fees	-	-	0.17	-	
	Commission	-	-	0.61	(0.58)	

\* The amount is below the rounding off norm adopted by the Group.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 44 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	FY 2024-25		FY 2023-24	
		Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
Dr. Naushad Forbes	Sitting fees	0.46	-	0.37	-
	Commission	1.62	(1.52)	1.28	(1.21)
Manish Kejriwal	Sitting fees	0.10	-	0.10	-
	Commission	0.30	(0.30)	0.30	(0.30)
Anami Roy	Sitting fees	0.78	-	0.60	-
	Commission	2.37	(2.20)	1.86	(1.73)
Radhika Haribhakti	Sitting fees	0.35	-	0.31	-
	Commission	1.24	(1.16)	1.09	(1.03)
Dr. Arindam Kumar Bhattacharya	Sitting fees	0.45	-	0.32	-
	Commission	1.18	(1.06)	0.84	(0.76)
Tarun Bajaj (Director w.e.f. 1 August 2024)	Sitting fees	0.05	-	-	-
	Commission	0.20	(0.18)	-	-
Ajay Kumar Choudhary (Director w.e.f. 1 February 2025)	Sitting fees	0.01	-	-	-
	Commission	0.04	(0.04)	-	-
Pramit Jhaveri	Sitting fees	0.49	-	0.40	-
	Commission	1.79	(1.66)	1.43	(1.34)
Sanjiv Nandan Sahai	Sitting fees	0.02	-	-	-
	Commission	0.06	(0.06)	-	-
<b>D Other entities/persons</b>					
Bajaj Auto Ltd.	Business support services received	31.31	-	39.14	-
	Business support services rendered	-	-	0.17	-
	Interest subsidy	-	-	1.35	-
	Insurance premium received by BAGIC/BALIC	40.75	-	22.92	-
	Insurance claims paid by BAGIC/BALIC	0.25	-	1.06	-
	Security deposit paid	-	0.24	-	0.24
	Unallocated premium	-	(12.35)	-	(16.04)
	Dividend income	1.00	-	1.75	-
	Investments held	-	98.49	-	114.35
	Finance lease given	8.76	8.29	-	-
	Finance lease repayment received	0.78	-	-	-
	Interest income on finance lease	0.31	-	-	-
	Advance given towards lease related transactions	1.95	1.77	-	-
	Receipt of repayment towards advance given	0.18	-	-	-
	Lease management charges received	0.04	-	-	-
	Revenue expenses reimbursement paid	0.03	-	0.04	-
	Rent and maintenance expenses	1.76	-	1.65	-
	Bad debts sharing received	-	-	2.90	-
	Inter-corporate deposit accepted	480.00	(280.00)	500.00	(500.00)
	Inter-corporate deposit repaid	700.00	-	500.00	-
Bajaj Electricals Ltd.	Interest accrued on inter-corporate deposits	29.77	(13.84)	37.82	(17.91)
	Secured non-convertible debentures redemption	-	-	500.00	-
	Interest paid on non-convertible debentures	-	-	25.25	-
	Purchase of property, plant and equipment	-	-	0.23	(0.19)
	Interest subsidy	2.31	0.62	0.54	0.06
	Insurance claims paid by BAGIC/BALIC	75.50	-	54.35	-

\* The amount is below the rounding off norm adopted by the Group.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 44 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	FY 2024-25		FY 2023-24	
		Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
	Insurance premium received by BAGIC/BALIC	80.06	-	82.29	-
	Unallocated premium	-	12.45	-	12.30
	Inter-corporate deposit accepted	198.00	(183.00)	95.00	(60.00)
	Inter-corporate deposit repaid	75.00	-	105.00	-
	Interest accrued on Inter-corporate deposits	13.06	(10.22)	4.19	(1.46)
Bajaj Auto Holdings Ltd.	Contribution to equity (2,090,050 shares of ₹1 each)	-	(0.21)	-	(0.21)
	Dividend paid	0.21	-	0.17	-
Hind Musafir Agency Ltd.	Services received	95.97	0.05	90.13	(1.36)
	Insurance premium received by BAGIC/BALIC	0.05	(1.22)	0.05	(2.04)
Bajaj Auto Technology Ltd. (formerly Chetak Technology Ltd.)	Insurance premium received by BAGIC/BALIC	(0.12)	-	0.53	-
	Inter-Corporate deposits accepted	243.50	(223.50)	-	-
	Inter-Corporate deposits repaid	20.00	-	-	-
	Interest accrued on inter-corporate deposits	8.06	(6.80)	-	-
	Finance lease given	0.40	0.39	-	-
	Finance lease repayment received	0.03	-	-	-
	Interest income on finance lease	0.01	-	-	-
	Advance given towards lease related transactions	0.10	0.09	-	-
	Receipt of repayment towards advance given	0.01	-	-	-
	Lease management charges received	*	-	-	-
	Unallocated premium	-	(0.36)	-	(0.04)
Bajaj Auto Credit Ltd. (formerly Bajaj Auto Consumer Finance Ltd.)	Asset sales	-	-	0.94	-
	Insurance premium received by BAGIC/BALIC	2.07	-	-	-
	Insurance commission paid by BAGIC/BALIC	0.64	-	-	-
	Unallocated premium	-	(3.99)	-	-
	Asset sales	2.55	(0.11)	-	-
	Finance lease given	0.34	0.34	-	-
	Finance lease repayment received	*	-	-	-
	Interest income on finance lease	*	-	-	-
	Advance given towards lease related transactions	0.08	0.08	-	-
	Receipt of repayment towards advance given	*	-	-	-
	Lease management charges received	*	-	-	-
	Income from distribution of third party products	0.03	-	-	-
	Revenue from software services	0.38	0.12	-	-
Mukand Ltd.	Insurance premium received by BAGIC/BALIC	6.16	-	5.87	-
	Insurance claims paid by BAGIC/BALIC	0.80	-	1.37	-
	Rent and other expenses paid	0.25	-	0.24	0.12
	Unallocated premium	-	(0.04)	-	(0.21)
Snapwork Technologies Pvt. Ltd.	Investment in equity shares	-	28.49	-	28.49
	Investment in compulsorily convertible preference shares (Deemed equity)	-	64.25	-	64.25
	Information technology design and development charges	20.02	-	20.86	(0.83)
	Support charges	0.24	-	0.48	-
	Business support services received	0.04	-	-	-

\* The amount is below the rounding off norm adopted by the Group.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 44 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	FY 2024-25		FY 2023-24	
		Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
Pennant Technologies Pvt. Ltd.	Investment in equity shares	-	113.75	113.75	113.75
	Investment in compulsorily convertible preference shares (Deemed equity)	-	153.72	153.72	153.72
	Information technology design and development charges	35.79	(11.84)	6.80	(12.33)
	Annual maintenance charges paid	5.82	-	0.82	(0.43)
	Inter-corporate deposits accepted	40.00	(40.00)	-	-
	Interest accrued on inter-corporate deposits	1.80	(1.62)	-	-
	Finance lease given	0.26	0.26	-	-
	Interest income on finance lease	*	-	-	-
	Advance given towards lease related transactions	0.06	0.06	-	-
Hindustan Housing Co. Ltd.	Contribution to equity (80,000 shares of ₹ 1 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.01	-	0.01	-
	Insurance premium received by BAGIC/BALIC	*	-	-	-
Hercules Hoists Ltd.	Contribution to equity (1,105,630 shares of ₹ 1 each)	-	(0.11)	-	(0.11)
	Dividend paid	0.11	-	0.09	-
	Insurance premium received by BAGIC/BALIC	0.82	-	-	-
	Unallocated premium	-	*	-	-
Indef Manufacturing Ltd.	Insurance premium received by BAGIC/BALIC	0.01	-	-	-
	Unallocated premium	-	(0.15)	-	-
Bajel Projects Ltd.	Insurance premium received by BAGIC/BALIC	0.04	-	-	-
	Inter-corporate deposits accepted	20.00	-	-	-
	Interest accrued on inter-corporate deposits	20.00	-	-	-
	Inter-corporate deposits repaid	0.61	-	-	-
	Loan given	203.00	21.00	-	-
	Loan repayment received	182.00	-	-	-
	Interest income on loan given	6.45	0.66	-	-
	Processing fees received	0.22	-	-	-
Bajaj Trading Co	Insurance premium received by BAGIC/BALIC	0.01	-	-	-
	Unallocated premium	-	*	-	-
Mukand Sumi Special Steel Ltd.	Insurance premium received by BAGIC/BALIC	1.25	-	-	-
	Insurance claims paid by BAGIC/BALIC	0.13	-	-	-
	Unallocated premium	-	(0.69)	-	-
Maharashtra Scooters Ltd.	Business support charges received	-	-	0.18	-
	Non-convertible debentures issued	-	(200.00)	-	(225.00)
	Secured non-convertible debentures redemption	75.00	-	100.00	-
	Interest on non-convertible debentures issued	4.90	-	9.94	-
	Contribution to equity of BFL (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Contribution to equity of BFS (37,932,400 shares of ₹ 1 each)	-	(3.79)	-	(3.79)
	Dividend paid	72.10	-	59.95	-
	Business support services rendered	0.24	-	-	-
	Rent received	*	-	*	-
	Insurance premium received by BAGIC/BALIC	0.07	-	*	-

\* The amount is below the rounding off norm adopted by the Group.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 44 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	FY 2024-25		FY 2023-24	
		Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
	Unallocated premium	-	(0.01)	*	-
Indian School of Business	Training expenses	1.76	-	3.21	-
Allianz SE	Revenue expenses reimbursement received	2.42	2.42	-	-
Sanjali Family Trust	Rent paid	0.49	-	0.63	-
	Security deposit paid	(0.14)	-	-	0.14
	Revenue expenses reimbursement paid	0.07	-	0.09	-
Jamnalal Sons Pvt. Ltd.	Security deposit	-	0.14	0.01	0.14
	Security deposit received	-	-	0.13	-
	Rent and other expenses	0.28	-	0.37	-
	Contribution to equity	-	(0.03)	-	(0.03)
	Revenue expenses reimbursement received	0.05	-	0.03	-
	Dividend paid	0.46	-	0.38	-
	Insurance premium received by BAGIC/BALIC	0.70	-	-	-
	Unallocated premium	-	(0.03)	-	-
Bajaj Auto Ltd. Provident Fund	Unsecured non convertible debentures issued	-	(25.00)	-	(36.00)
	Unsecured non convertible debentures redemption	11.00	-	-	-
	Interest paid on non convertible debentures	3.32	-	3.35	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	1.21	-	1.21	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	16.00	-	14.48	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	11.50	-	23.10	-
RDR Ventures LLP	Insurance premium received by BAGIC/BALIC	*	-	-	-
Hospet Steels Ltd	Insurance premium received by BAGIC/BALIC	0.15	-	-	-
Hind Lamps Ltd.	Insurance premium received by BAGIC/BALIC	*	-	-	-
	Unallocated premium	-	*	-	-
Mukand Sumi Metal Processing Ltd.	Insurance premium received by BAGIC/BALIC	0.01	-	-	-
	Unallocated premium	-	*	-	-
Emerald Acres Pvt. Ltd.	Insurance premium received by BAGIC/BALIC	0.01	-	-	-
	Unallocated premium	-	*	-	-
Mukand Heavy Engineering Ltd.	Insurance premium received by BAGIC/BALIC	0.14	-	-	-
Aryan Nayan Realty LLP	Insurance premium received by BAGIC/BALIC	0.01	-	-	-
Bachhraj And Company Pvt Ltd.	Insurance premium received by BAGIC/BALIC	*	-	-	-
Vidal Health Insurance TPA Pvt. Ltd.	Insurance claims paid by BAGIC/BALIC	0.50	-	-	-
Vidal Healthcare Services Pvt. Ltd.	Revenue from software services	0.06	0.07	-	-
Bachhraj Factories Pvt. Ltd.	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.26	-	0.22	-
	Insurance premium received by BAGIC/BALIC	*	-	-	-
Bajaj Sevashram Pvt. Ltd.	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	(0.06)
	Dividend paid	1.11	-	0.93	-
Baroda Industries Pvt. Ltd.	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.42	-	0.35	-

\* The amount is below the rounding off norm adopted by the Group.

The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 45 Employee benefit plans

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Ind AS 19, the details of which are as hereunder.

#### Funded schemes

##### Gratuity

The Group provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Group is greater of the provisions of the Payment of Gratuity Act, 1972 and the Group's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Group makes contributions to approved gratuity fund.

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Amount recognised in consolidated Balance Sheet</b>		
Present value of funded defined benefit obligation	941.63	741.39
Fair value of plan assets	513.27	435.26
<b>Net funded obligation *</b>	428.80	306.77
Present value of unfunded defined benefit obligation	0.18	-
<b>Net funded assets *</b>	(0.44)	(0.64)

\* Entities having net asset or net obligation are consolidated for net asset or net obligation, respectively and shown in above disclosure.

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>Expense recognised in consolidated Statement of Profit and Loss</b>		
Current service cost	128.27	95.85
Past service cost	(0.43)	-
Interest on net defined benefit liability/(asset)	20.34	12.21
<b>Total expense charged to consolidated Statement of Profit and Loss</b>	148.18	108.06
<b>Amount recorded as Other Comprehensive Income</b>		
Opening amount recognised in OCI outside consolidated Statement of Profit and Loss	248.22	177.33
Remeasurements during the period due to		
Changes in financial assumptions	33.44	15.26
Changes in demographic assumptions	11.72	9.61
Experience adjustments	2.02	56.03
Actual return on plan assets less interest on plan assets	(2.96)	(9.36)
Adjustment to recognise the effect of asset ceiling	(0.05)	(0.65)
<b>Closing amount recognised in OCI outside consolidated Statement of Profit and Loss</b>	292.39	248.22



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 45 Employee benefit plans (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Movement in benefit obligation</b>		
Opening of defined benefit obligation	741.39	563.10
Addition due to business combination	6.15	-
Current service cost	128.27	93.48
Past service cost	(0.43)	-
Interest on defined benefit obligation	52.75	39.38
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	33.40	17.19
Actuarial loss/(gain) arising from change in demographic assumptions	7.41	9.61
Actuarial loss/(gain) arising on account of experience changes	6.34	53.51
Benefits paid	(29.99)	(30.24)
Liabilities assumed/(settled)	(3.48)	(4.64)
<b>Closing of defined benefit obligation</b>	<b>941.81</b>	<b>741.39</b>
<b>Movement in plan assets</b>		
Opening fair value of plan assets	435.26	372.81
Additions due to business combinations	3.57	-
Employer contributions	73.62	65.78
Interest on plan assets	30.75	27.22
Remeasurements due to		
Actual return on plan assets less interest on plan assets	2.96	4.34
Benefits paid	(29.40)	(30.43)
Assets acquired/(settled)*	(3.49)	(4.46)
<b>Closing fair value of plan assets</b>	<b>513.27</b>	<b>435.26</b>

\* On account of intra group transfer

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Disaggregation of assets</b>		
Category of assets		
Insurer managed funds	513.27	435.26

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 45 Employee benefit plans (Contd.)

Particulars	As at 31 March	
	2025	2024
<b>Principal actuarial assumptions (expressed as weighted averages)</b>		
<b>Discount rate (p.a.)</b>		
Bajaj Finserv Ltd.	6.75%	7.20%
Bajaj Allianz General Insurance Co. Ltd.	6.60%	7.15%
Bajaj Allianz Life Insurance Co. Ltd.	6.55%	7.15%
Bajaj Finance Ltd.	6.85%	7.20%
Bajaj Finserv Direct Ltd.	6.75%	7.20%
Bajaj Finserv Health Ltd.	6.75% ~ 6.81%	7.20%
Bajaj Finserv Asset Management Ltd.	6.75%	7.20%
Bajaj Finserv Ventures Ltd.	6.75%	7.20%
<b>Salary escalation rate (p.a.)</b>		
Bajaj Finserv Ltd.	10.00%	10.00%
Bajaj Allianz General Insurance Co. Ltd.	9.50%	9.50%
Bajaj Allianz Life Insurance Co. Ltd.	8.00%	8.00%
Bajaj Finance Ltd.	11.00%	11.00%
Bajaj Finserv Direct Ltd.	11.25%	11.25%
Bajaj Finserv Health Ltd.	7% ~ 8%	10.00%
Bajaj Finserv Asset Management Ltd.	10.00%	8.00%
Bajaj Finserv Ventures Ltd.	10.00%	11.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

### Unfunded schemes

(₹ In Crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Compensated absences	Long-term incentive plan	Compensated absences	Long-term incentive plan
Present value of unfunded obligations	87.33	79.41	83.79	88.77
Discount rate (p.a.)	6.55% ~ 6.78%		7.20% ~ 7.45%	
Salary escalation rate (p.a.)	7.50% ~ 11.25%		8.00% ~ 11.25%	

### Amount recognised in the consolidated Statement of Profit and Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>Defined contribution plans</b>		
Provident fund paid to Government authorities	332.17	282.66
Superannuation paid to Trust	1.44	1.41
Pension fund paid to Government authorities	15.84	13.32
Others	11.58	20.97
<b>Defined Benefit plans</b>		
Gratuity	148.18	108.06
Others	-	0.01
<b>Total</b>	509.21	426.43

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures****1. Capital**

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

BAGIC and BALIC maintain an actively managed capital base to cover risks inherent in their respective businesses and meeting the solvency ratio required by IRDAI. The adequacy of BAGIC and BALIC's capital is monitored using, among the other measures, the regulation issued by IRDAI.

The cash surpluses are currently invested in equity shares, mutual funds, debt instruments and money market instruments depending upon the economic conditions and is in line with guidelines set out by IRDAI.

Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds.

No changes were made in the objective, policies and processes of capital management during the year. Both BAGIC and BALIC do not have any borrowings and do not borrow funds.

**a) Capital management (BFL)****Objective**

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

**Planning**

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

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

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

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

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 2. Regulatory capital

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Bajaj Finance Ltd.</b>		
Tier I capital	82,233.86	67,796.11
Tier II capital	3,284.64	3,166.61
Total capital (Tier I + Tier II)	85,518.50	70,962.72
Risk weighted assets	389,981.09	315,149.85
Tier I CRAR	21.09%	21.51%
Tier II CRAR	0.84%	1.01%
Total CRAR (Tier I + Tier II)	21.93%	22.52%

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Bajaj Housing Finance Ltd.</b>		
Tier I capital	19,456.12	11,857.24
Tier II capital	367.09	348.45
Total capital (Tier I + Tier II)	19,823.21	12,205.69
Risk weighted assets	70,188.39	57,351.83
Tier I CRAR	27.72%	20.67%
Tier II CRAR	0.52%	0.61%
Total CRAR (Tier I + Tier II)	28.24%	21.28%

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 3. Quantitative disclosures

## a. Quantitative disclosures of fair value measurement hierarchy for assets (BFL)

## Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value as at 31 March 2025

(₹ In Crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31 March 2025	6,786.68	-	-	6,786.68
Equity instrument designated under FVTOCI (Unquoted)	31 March 2025	-	-	424.62	424.62
Equity instrument designated under FVTOCI (Quoted)	31 March 2025	316.99	-	-	316.99
Other investments designated under FVTOCI	31 March 2025	22,448.25	3,883.64	-	26,331.89
Loans designated under FVTOCI	31 March 2025	-	68,579.27	-	68,579.27
Derivative financial instruments (net)	31 March 2025	(4.23)	217.66	-	213.43
Total		29,547.69	72,680.57	424.62	102,652.88

## Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value as at 31 March 2024

(₹ In Crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held under FVTPL	31 March 2024	4,969.85	-	-	4,969.85
Equity instrument designated under FVTOCI (Unquoted)	31 March 2024	-	-	699.22	699.22
Equity instrument designated under FVTOCI (Quoted)	31 March 2024	102.89	-	-	102.89
Other investments designated under FVTOCI	31 March 2024	22,470.92	1,912.89	-	24,383.81
Loans designated under FVTOCI	31 March 2024	-	57,709.92	-	57,709.92
Derivative financial instruments (net)	31 March 2024	0.05	25.67	-	25.72
Total		27,543.71	59,648.48	699.22	87,891.41

- BFL does not carry any financial asset and liability which it fair values on a non recurring basis.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 3. Quantitative disclosures (Contd.)

##### Fair value measurements using significant unobservable inputs (level 3)

The following table presents the changes in level 3 financial assets

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Opening balance	699.22	590.09
Acquisitions during the year	35.00	-
Disposals during the year	-	-
Fair value gain/(loss) recognised in profit or loss	-	-
Transfer from level 3	(296.89)	-
Gain/(loss) recognised in other comprehensive income	(12.71)	109.13
Closing balance	424.62	699.22

##### Sensitivity analysis of significant unobservable input on the fair value of equity instrument classified under FVTOCI

(₹ In Crore)

Particulars	Sensitivity to fair value as at 31 March 2025	
	1 % increase	1 % decrease
Discounting rate	(28.51)	33.06
Cash flows	15.02	(13.10)

(₹ In Crore)

Particulars	Sensitivity to fair value as at 31 March 2024	
	1 % increase	1 % decrease
Discounting rate	(49.87)	57.87
Cash flows	35.85	(31.03)

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

(₹ In Crore)

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



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 3. Quantitative disclosures (Contd.)

## Fair value of financial instruments measured at amortised cost as at 31 March 2024

(₹ In Crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>					
Loans	268,583.40	-	-	267,733.19	267,733.19
Investments	355.46	-	-	357.55	357.55
Total financial assets	268,938.86	-	-	268,090.74	268,090.74
<b>Financial liabilities</b>					
Debt securities	117,999.54	-	118,395.03	-	118,395.03
Borrowings (other than debt securities)	111,617.47	-	-	111,617.47	111,617.47
Deposits	60,150.92	-	-	60,199.94	60,199.94
Subordinated liabilities	3,577.90	-	3,621.87	-	3,621.87
Total financial liabilities	293,345.83	-	122,016.90	171,817.41	293,834.31

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

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

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

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

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

**Valuation framework (BFL)**

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

BFL's valuation framework includes:

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

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

**Valuation techniques used to determine fair value**

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 3. Quantitative disclosures (Contd.)

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

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 3. Quantitative disclosures (Contd.)

## c. Quantitative disclosures of fair value measurement hierarchy for assets (BALIC)

(₹ In Crore)

Particulars	Carrying amount					Fair value hierarchy		
	Through P&L	Designated at P&L	Through OCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>As at 31 March 2025</b>								
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
Investments								
Government securities	6,048.31	19,075.91	21,729.44	-	46,853.66	46,853.66	-	-
Debt securities	3,877.91	14,174.80	11,428.13	-	29,480.84	-	29,480.84	-
Equity instruments	45,874.22	-	571.74	-	46,445.96	46,189.99	-	255.96
Others (AT1, mutual fund)	-	-	-	-	-	-	-	-
<b>Financial assets not measured at fair value<sup>#</sup></b>								
Investments								
Fixed deposits-long term	-	-	-	1,710.43	1,710.43			
TREPs (Tri-party repo)	-	-	-	2,734.37	2,734.37			
Cash and cash equivalents	-	-	-	661.77	661.77			
Bank balances other than cash and cash equivalents	-	-	-	0.40	0.40			
Trade receivables	-	-	-	845.65	845.65			
Loans	-	-	-	881.18	881.18			
Reinsurance assets	-	-	-	412.04	412.04			
Other financial assets	-	-	-	867.22	867.22			
Derivative financial instruments	781.96	-	-	-	781.96	-	781.96	-
<b>Total financial assets</b>	<b>56,582.40</b>	<b>33,250.71</b>	<b>33,729.31</b>	<b>8,113.06</b>	<b>131,675.48</b>	<b>93,043.65</b>	<b>30,262.80</b>	<b>255.96</b>
<b>Financial liabilities<sup>#</sup></b>								
Trade payables	-	-	-	3,230.86	3,230.86			
Deposits	-	-	-	4.82	4.82			
Lease obligation	-	-	-	181.87	181.87			
Derivative financial instruments	38.90	-	-	-	38.90	-	38.90	-
<b>Total financial liabilities</b>	<b>38.90</b>	<b>-</b>	<b>-</b>	<b>3,417.55</b>	<b>3,456.45</b>	<b>-</b>	<b>38.90</b>	<b>-</b>

<sup>#</sup>BALIC has not disclosed the fair value for financial instruments such as cash and cash equivalents, trade receivables, policy loans, other financial assets, trade payables because their carrying amounts are reasonable approximation of fair value.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 3. Quantitative disclosures (Contd.)

##### c. Quantitative disclosures of fair value measurement hierarchy for assets (BALIC) (Contd.)

(₹ In Crore)

Particulars	Carrying amount				Total	Fair value hierarchy		
	Through P&L	Designated at P&L	Through OCI	Amortised cost		Level 1	Level 2	Level 3
<b>As at 31 March 2024</b>								
<b>Financial assets</b>								
<b>Financial assets measured at fair value</b>								
Investments								
Government securities	6,564.12	22,389.53	16,896.48	-	45,850.13	45,850.13	-	-
Debt securities	2,010.47	7,469.53	8,359.06	-	17,839.06	-	17,839.06	-
Equity instruments	42,657.31	-	895.44	-	43,552.75	43,354.88	-	197.87
Others (AT1, mutual fund)	214.41	-	-	-	214.41	154.80	59.61	-
<b>Financial assets not measured at fair value*</b>								
Investments								
Fixed deposits-long term	-	-	-	1,585.49	1,585.49			
TREPs (Tri-party repo)	-	-	-	2,691.94	2,691.94			
Cash and cash equivalents	-	-	-	547.16	547.16			
Bank balances other than cash and cash equivalents	-	-	-	0.38	0.38		N/A	
Trade receivables	-	-	-	627.46	627.46			
Loans	-	-	-	636.93	636.93			
Reinsurance assets	-	-	-	536.12	536.12			
Other financial assets	-	-	-	602.10	602.10			
Derivative financial instruments	563.33	-	-	-	563.33	-	563.33	-
<b>Total financial assets</b>	52,009.64	29,859.06	26,150.98	7,227.58	115,247.26	89,359.81	18,462.00	197.87
<b>Financial liabilities*</b>								
Trade payables	-	-	-	2,323.23	2,323.23			
Deposits	-	-	-	4.86	4.86		N / A	
Lease obligation	-	-	-	138.23	138.23			
Derivative financial instruments	4.00	-	-	-	4.00	-	4.00	-
<b>Total financial liabilities</b>	4.00	-	-	2,466.32	2,470.32	-	4.00	-

\*BALIC has not disclosed the fair value for financial instruments such as cash and cash equivalents, trade receivables, policy loans, other financial assets, trade payables because their carrying amounts are reasonable approximation of fair value.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**3. Quantitative disclosures** (Contd.)**c. Quantitative disclosures of fair value measurement hierarchy for assets (BALIC)** (Contd.)**Valuation techniques used to determine fair value****Level 1**

This level includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

**Level 2**

This level of hierarchy includes financial instruments, measured using inputs other than quoted prices included within level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3**

This level of hierarchy includes financial assets measured using inputs that are not based on observable market data (unobservable inputs). This level of hierarchy includes unlisted equity instruments.

There have been no transfers from level 1 to level 3 and vice versa.

**Movements in Level 3 financial instruments**

The following tables show a reconciliation of the opening and closing amounts of level 3 financial assets

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Opening balance	197.87	251.73
Purchase/(Sale)	66.25	(52.70)
Net change in fair value (unrealised)	(8.16)	(1.16)
<b>Closing balance</b>	<b>255.96</b>	<b>197.87</b>

**Valuation inputs and relationships to fair value**

The following table summarises the quantitative information about the significant unobservable inputs used in level 3 fair value measurements:

Particulars	Significant unobservable inputs	As at 31 March 2025	As at 31 March 2024	Sensitivity	
				Favourable	Unfavourable
Unquoted equity shares	P/B multiple of peers	8.43	16.40	A positive change in a significant unobservable inputs by 5% will not change the fair value significantly.	An adverse change in a significant unobservable inputs by 10% will not change the fair value significantly.
Alternate investment fund (AIF)	Net asset value of investment	247.53	181.47	12.38	(12.38)
<b>Total</b>		<b>255.96</b>	<b>197.87</b>		

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 3. Quantitative disclosures (Contd.)

##### d. Quantitative disclosures of fair value measurement hierarchy for assets (BAGIC)

(₹ In Crore)

Particulars	Carrying amount				Fair value		
	Through P&L	Through OCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>As at 31 March 2025</b>							
<b>Investments</b>							
<b>Financial assets measured at fair value</b>							
Government debt securities	-	15,047.63	-	15,047.63	15,047.63	-	-
Debt securities	-	12,846.46	-	12,846.46	12,846.46	-	-
Equity instruments	2,040.34	2,766.41	-	4,806.75	4,801.75	5.00	-
Fixed deposits	-	-	150.17	150.17	150.17	-	-
Mutual fund	242.39	-	-	242.39	242.39	-	-
<b>Financial assets not measured at fair value*</b>							
Cash and cash equivalents	-	-	1,375.98	1,375.98	N/A		
Bank balances other than cash and cash equivalents	-	-	10.05	10.05			
Trade receivables	-	-	5,432.97	5,432.97			
Other financial assets	-	-	265.80	265.80			
<b>Total financial assets</b>	2,282.73	30,660.50	7,234.97	40,178.20	33,088.40	5.00	-
<b>Financial liabilities*</b>							
Trade payables					N/A		
a) Total outstanding dues of MSME	-	-	22.63	22.63			
b) Other payables	-	-	4,508.86	4,508.86			
Other financial liabilities	-	-	1,557.11	1,557.11			
Lease contract liability	-	-	96.21	96.21			
<b>Total financial liabilities</b>	-	-	6,184.81	6,184.81	-	-	-

(₹ In Crore)

Particulars	Carrying amount				Fair value		
	Through P&L	Through OCI	Amortised cost	Total	Level 1	Level 2	Level 3
<b>As at 31 March 2024</b>							
<b>Investments</b>							
<b>Financial assets measured at fair value</b>							
Government debt securities	-	18,635.97	-	18,635.97	18,635.97	-	-
Debt securities	-	7,925.23	-	7,925.23	7,925.23	-	-
Equity instruments	910.96	3,063.22	-	3,974.18	3,974.18	-	-
Fixed deposits	-	-	85.64	85.64	85.64	-	-
Preference shares	240.31	-	-	240.31	240.31	-	-
<b>Financial assets not measured at fair value*</b>							
Cash and cash equivalents	-	-	998.73	998.73	N/A		
Bank balances other than cash and cash equivalents	-	-	31.20	31.20			
Trade receivables	-	-	3,490.81	3,490.81			
Other financial assets	-	-	168.43	168.43			
<b>Total financial assets</b>	1,151.27	29,624.42	4,774.81	35,550.50	30,861.33	-	-
<b>Financial liabilities</b>							
Trade payables*					N/A		
a) Total outstanding dues of MSME	-	-	22.22	22.22			
b) Other payables	-	-	2,970.33	2,970.33			
Other financial liabilities	-	-	819.85	819.85			
Lease contract liability	-	-	100.26	100.26			
<b>Total financial liabilities</b>	-	-	3,912.66	3,912.66	-	-	-

\*BAGIC has not disclosed the fair value for financials instruments such as cash and cash equivalents, trade receivables, policy loans, other financial assets, trade payables because their carrying amounts are reasonable approximation of fair value.



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**3. Quantitative disclosures** (Contd.)**d. Quantitative disclosures of fair value measurement hierarchy for assets (BAGIC)** (Contd.)**Level 1**

Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

**Level 2**

The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3**

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation Techniques used to determine fair value (Level 3)

In case of level 3 security valuation – BAGIC is performing the periodically valuation process of the holding security based on the following conditions;

1. Financial result, 2. Market position and, 3. Comparison with similar companies.

A one percentage point change in the unobservable inputs used in fair valuation of level 3 assets and liabilities does not have a significant impact in its value.

**4. Financial risk management and other disclosures****A. Bajaj Finance Ltd.**

A summary of the major risks faced by the Bajaj Finance Ltd.(BFL), its measurement, monitoring and management are described as under:

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Liquidity risk	<p>Liquidity risk arises from mismatches in the timing of cash flows.</p> <p>Funding risk arises from:</p> <ul style="list-style-type: none"> <li>inability to raise incremental borrowings and deposits to fund business requirement or for repayment obligations</li> <li>when long term assets cannot be funded at the expected term resulting in cashflow mismatches;</li> <li>Amidst volatile market conditions impacting sourcing of funds from banks and money markets.</li> </ul>	<p>Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)</p>	<p>Liquidity and funding risk is:</p> <ul style="list-style-type: none"> <li>measured by <ul style="list-style-type: none"> <li>identification of gaps in the structural and dynamic liquidity.</li> <li>assessment of incremental borrowings required for servicing the repayment obligation, BFL's business plan and prevailing market conditions.</li> <li>liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and board approved liquidity risk framework.</li> </ul> </li> <li>monitored by <ul style="list-style-type: none"> <li>assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs.</li> <li>a constant calibration of sources of funds in line with current and emerging market conditions in banking and money markets.</li> <li>periodic reviews by ALCO of liquidity position, LCR and stress tests assuming varied 'what if' scenarios and comparing probable gaps with the liquidity buffers maintained by BFL.</li> </ul> </li> <li>managed by BFL's treasury team under liquidity risk management framework through various means like HQLA, liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks and contingency funding plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.</li> </ul>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### A. Bajaj Finance Ltd. (Contd.)

Nature of risk	Arising from	Executive governance structure	Measurement, monitoring and management of risk
Market risk	Market risk arises from fluctuation in the fair value of future cash flow of financial instruments due to changes in the market variables such as interest rates, foreign exchange rates and equity prices.	Board constituted RMC and ALCO	<p>Market risk for BFL encompasses exposures to equity investments, changes in exchange rates (which may impact external commercial borrowings), interest rate risks on investment portfolios as well as the floating rate assets and liabilities with differing maturity profiles.</p> <ul style="list-style-type: none"> <li>• measured by using changes in prices, and parameters like value at risk ('VaR'), PV01 (price value of a basis point), modified duration and other measures to determine movements in the portfolios and impact on net interest income.</li> <li>• monitored by assessment of key parameters like fluctuation in the equity and bond price, interest rate sensitivities and market value of equity (MVE) analysis for probable interest rate movements on both fixed and floating assets and liabilities. BFL has a market risk management module which is integrated with its treasury system; and</li> <li>• managed by BFL's treasury team under the guidance of ALCO and Investment Committee and in accordance with Board approved investment and market risk policy.</li> </ul>
Credit risk	Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to BFL.	Board constituted RMC and Chief Risk Officer (CRO)	<p>Credit risk is:</p> <ul style="list-style-type: none"> <li>• measured as the amount at risk due to repayment default by customers or counterparties to BFL. Various metrics such as instalment default rate, overdue position, restructuring, resolution plans, debt management efficiency, credit bureau information, contribution of stage 2 and stage 3 assets etc. are used as leading indicators to assess credit risk.</li> <li>• monitored by RMC and CRO through review of level of credit exposure, portfolio monitoring, contribution of repeat customers, bureau data, concentration risk of geography, customer and portfolio; and assessment of any major change in the business environment including economic, political as well as natural calamity/pandemic. ICAAP Committee reviews the outcome of scenario based stress testing exercise based on a 'Credit Risk Scenario Model' encompassing the macroeconomic scenario-based stress testing.</li> <li>• managed by a robust control framework by the risk and debt management unit. This is achieved by continuously aligning credit and debt management policies and resourcing, obtaining external data from credit bureaus and review of portfolios and delinquencies by senior and middle management team comprising of risk, analytics, debt management and risk containment along with business. The same is periodically reviewed by the Board constituted RMC.</li> </ul>

##### (a) Liquidity risk

BFL's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the balance sheet.

BFL maintains a judicious mix of borrowings from banks, money markets, external commercial borrowings (ECBs), public and other deposits and focuses on diversification of its sources of borrowings with an emphasis on longer tenor borrowings. BFL for the first time raised funds by way of securitisation of loan receivables in FY2025. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has aided BFL maintain a healthy asset liability position and interest rate during the financial year 2024-25 (FY2025). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 361,248.65 crore as of 31 March 2025 (Previous year ₹ 293,345.83 crore). The weighted average cost of borrowing was 7.97% for FY2025 (Previous year 7.73%).

BFL continuously monitors liquidity in the market; and as a part of its liquidity risk framework maintains a liquidity buffer through an active investment desk to reduce this risk. BFL endeavours to maintain liquidity buffer of 5% to 8% of its overall net borrowings under various market scenario.

RBI vide Circular No. RBI/DoR/2023-24/106 DoR.FIN.REC.No.45/03.10.119/2023-24 has issued guidelines on liquidity risk framework for NBFCs. It covers various aspects of Liquidity risk management such as granular level classification of buckets in structural liquidity statement, tolerance limits thereupon, and liquidity risk management tools and principles. BFL has a Board approved liquidity risk management

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**A. Bajaj Finance Ltd.** (Contd.)

framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

BFL and one of its subsidiary viz. BHFL exceeds the regulatory requirement of LCR which mandates maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). As of 31 March 2025, BFL and BHFL maintained a LCR of 124.93% and 192.81% respectively. Both are well above the RBI's stipulated norms.

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

The table below summarises the maturity profile of the undiscounted contractual cashflow of the BFL's financial liabilities

**As at 31 March 2025**

(₹ In Crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 month to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities	7,075.92	19,109.95	33,336.49	80,061.44	63,018.72	202,602.52
Borrowings (other than debt securities)	21,089.55	7,555.54	25,121.33	93,811.85	2,688.39	150,266.66
Deposits	2,657.21	5,281.91	24,551.85	48,171.54	-	80,662.51
Subordinated debts	-	48.90	494.61	2,936.32	-	3,479.83
Trade payables	1,497.59	265.69	114.77	-	-	1,878.05
Other payables	692.68	-	238.22	-	-	930.90
Other financial liabilities	517.79	104.19	511.82	803.81	280.82	2,218.43
<b>Total</b>	<b>33,530.74</b>	<b>32,366.18</b>	<b>84,369.09</b>	<b>225,784.96</b>	<b>65,987.93</b>	<b>442,038.90</b>

**As at 31 March 2024**

(₹ In Crore)

Particulars	Up to 1 month	Over 1 month to 3 months	Over 3 month to 1 year	Over 1 year to 5 years	Over 5 years	Total
Debt securities*	7,866.02	22,048.13	18,257.02	59,375.67	43,007.48	150,554.32
Borrowings (other than debt securities)*	18,347.19	5,098.24	21,096.02	82,407.29	3,046.90	129,995.64
Deposits	2,925.35	5,467.84	21,895.48	37,797.72	-	68,086.39
Subordinated debts	-	48.90	703.15	3,479.89	-	4,231.94
Trade payables	1,407.21	532.42	124.41	-	-	2,064.04
Other payables	624.73	-	139.85	-	-	764.58
Other financial liabilities	499.60	124.42	482.13	746.17	238.58	2,090.90
<b>Total</b>	<b>31,670.10</b>	<b>33,319.95</b>	<b>62,698.06</b>	<b>183,806.74</b>	<b>46,292.96</b>	<b>357,787.81</b>

\*Net of adjustment on account of rectification related to BHFL

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### A. Bajaj Finance Ltd. (Contd.)

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

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	3,642.46	-	3,642.46	4,034.51	-	4,034.51
Bank balances other than cash and cash equivalents	9,805.65	95.43	9,901.08	4,262.41	2,327.09	6,589.50
Derivative financial instruments	209.34	41.22	250.56	16.18	11.66	27.84
Trade receivables	1,826.78	86.33	1,913.11	1,623.92	109.57	1,733.49
Loans	126,435.77	281,408.37	407,844.14	101,324.01	224,969.31	326,293.32
Investments	27,237.35	7,203.49	34,440.84	24,419.99	6,460.66	30,880.65
Other financial assets	2,174.01	270.98	2,444.99	1,222.81	209.07	1,431.88
<b>Non-financial assets</b>						
Current tax assets (net)	-	480.77	480.77	-	290.92	290.92
Deferred tax assets (net)	-	1,141.20	1,141.20	-	1,017.43	1,017.43
Property, plant and equipment	-	2,688.89	2,688.89	-	2,358.32	2,358.32
Capital work-in-progress	-	26.74	26.74	-	25.35	25.35
Intangible assets under development	-	14.55	14.55	-	18.11	18.11
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	1,088.01	1,088.01	-	888.31	888.31
Other non-financial assets	205.72	40.50	246.22	109.77	38.95	148.72
<b>Total</b>	<b>171,537.08</b>	<b>294,589.75</b>	<b>466,126.83</b>	<b>137,013.60</b>	<b>238,728.02</b>	<b>375,741.62</b>
<b>LIABILITIES</b>						
<b>Financial liabilities</b>						
Derivative financial instruments	37.13	-	37.13	2.12	-	2.12
Trade payables	1,878.04	-	1,878.04	2,064.04	-	2,064.04
Other payables	930.91	-	930.91	764.58	-	764.58
Debt securities	53,916.54	100,723.19	154,639.73	44,015.15	73,984.39	117,999.54
Borrowings (other than debt securities)	46,900.60	85,201.65	132,102.25	38,282.90	73,334.57	111,617.47
Deposits	29,606.41	41,796.72	71,403.13	27,831.73	32,319.19	60,150.92
Subordinate liabilities	448.44	2,655.10	3,103.54	635.10	2,942.80	3,577.90
Other financial liabilities						
Lease liabilities	228.69	892.50	1,121.19	193.24	807.92	1,001.16
Others	827.01	-	827.01	843.23	-	843.23
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	100.63	-	100.63	108.64	-	108.64
Provisions	30.53	483.75	514.28	28.47	393.42	421.89
Other non-financial liabilities	501.40	30.70	532.10	471.09	23.69	494.78
<b>Total</b>	<b>135,406.33</b>	<b>231,783.61</b>	<b>367,189.94</b>	<b>115,240.29</b>	<b>183,805.98</b>	<b>299,046.27</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**A. Bajaj Finance Ltd.** (Contd.)**(b) Market risk**

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

**(i) Interest rate risk****On assets and liabilities**

For floating rate asset and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, BFL's profit before tax is affected through the impact on floating rate financial asset and liabilities, as follows:

**Sensitivity analysis as at 31 March 2025**

(₹ In Crore)

Particulars	Outstanding principal	Impact in Statement of Profit and Loss	
		1% increase	1% decrease
Loans	167,427.56	1,674.28	(1,674.28)
Debt securities	1,500.00	(15.00)	15.00
Borrowings (other than debt securities)	92,090.97	(920.91)	920.91

**Sensitivity analysis as at 31 March 2024**

(₹ In Crore)

Particulars	Outstanding principal	Impact in Statement of Profit and Loss	
		1 % increase	1 % decrease
Loans	123,498.99	1,234.99	(1,234.99)
Debt securities	-	-	-
Borrowings (other than debt securities)	85,148.80	(851.49)	851.49

**(ii) Price risk**

BFL's quoted equity instruments and derivative instruments carry a risk of change in prices. To manage its price risk arising from investments in equity securities, BFL periodically monitors the sectors it has invested in, performance of the investee companies, measures mark-to-market gain/(loss).

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### A. Bajaj Finance Ltd. (Contd.)

##### Sensitivity analysis as at 31 March 2025

(₹ In Crore)

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

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in FVTOCI - Debt instruments	22,448.25	22,448.25	224.48	(224.48)
Investment at FVTPL - Other than equity shares	6,529.80	6,529.80	65.30	(65.30)

##### Sensitivity analysis as at 31 March 2024

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	269.41	269.41	26.94	(26.94)

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in FVTOCI - Debt instruments	22,470.92	22,470.92	224.71	(224.71)
Investment at FVTPL - Other than equity shares	4,803.33	4,803.33	48.03	(48.03)

#### (iii) Foreign currency risk

BFL is exposed to foreign currency fluctuation risk largely for its external commercial borrowing (ECB). BFL's borrowings in foreign currency are governed by RBI guidelines (RBI Master Direction RBI/FED/2018-19/67 dated 26 March 2019 and updated from time to time) which requires entities raising ECB for an average maturity of less than 5 years to hedge minimum 70% of the its ECB exposure (Principal and Coupon). As a matter of prudence, BFL has hedged the entire ECB exposure for the full tenure as per Board approved interest rate and currency risk hedging policy.

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



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**A. Bajaj Finance Ltd.** (Contd.)

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

Particulars	As at 31 March 2025	As at 31 March 2024
	USD	USD
<b>Hedged</b>		
ECB	(15,091.03)	(6,015.79)
Derivative financial instrument*	15,091.03	6,015.79
<b>Unhedged</b>	-	-

\*represents the notional amount of the derivative financial instrument

**Foreign currency sensitivity impact on profit after tax and OCI**

The Sensitivity of the changes in the exchange rates arises mainly from foreign currency denominated financial instrument and from derivative financial instruments i.e. forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. BFL has considered a sensitivity of +/-5% for increase and decrease against the relevant foreign currencies to calculate the impact on OCI.

(₹ In Crore)

Particulars	Impact on profit after tax		Impact on OCI	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
USD sensitivity				
INR/USD - increase by 5%	-	-	789.13	311.96
INR/USD - decrease by 5%	-	-	(789.13)	(311.96)

**Interest rate sensitivity impact on profit after tax and OCI**

The sensitivity of the changes in the interest rates from derivative financial instruments i.e. forward exchange contracts and currency swaps, designated as cash flow hedges, will be recognised in OCI. BFL has considered a sensitivity of +/-1% for related interest rate changes to calculate the impact of OCI.

(₹ In Crore)

Particulars	Impact on profit after tax		Impact on OCI	
	31 March 2025	31 March 2024	31 March 2025	31 March 2024
Interest rate - increase by 1%	-	-	282.01	142.15
Interest rate - decrease by 1%	-	-	(290.77)	(147.30)

**Hedging policy**

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### A. Bajaj Finance Ltd. (Contd.)

##### Impact of hedge on the Balance Sheet

As at 31 March 2025

(₹ In Crore)

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

As at 31 March 2024

(₹ In Crore)

Particulars	Notional amount	Carrying amount of derivative asset	Carrying amount of derivative liability
INR USD CCIRS	6,015.79	15.69	0.85
INR Interest rate swap	1,850.00	11.66	0.83
INR Future and Options	315.40	0.49	0.44

#### (c) Credit risk

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

##### Classification of financial assets under various stages

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

- stage 1: unimpaired and without significant increase in credit risk since initial recognition on which a 12-month allowance for ECL is recognised;
- stage 2: a significant increase in credit risk since initial recognition on which a lifetime ECL is recognised; and
- stage 3: objective evidence of impairment, and are therefore considered to be in default or otherwise credit impaired on which a lifetime ECL is recognised.

##### Computation of impairment on financial instruments

BFL calculates impairment on financial instruments as per ECL approach prescribed under Ind AS 109 'Financial instruments'. ECL uses three main components: PD (probability of default), LGD (loss given default) and EAD (exposure at default) along with an adjustment considering forward macro economic conditions.

BFL recalibrates components of its ECL model periodically by; (1) using the available incremental and recent information, except where such information does not represent the future outcome, and (2) assessing changes to its statistical techniques for a granular estimation of ECL. Accordingly, during the year, BFL has redeveloped its ECL model and implemented the same with the approval of the Board.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 4. Financial risk management and other disclosures (Contd.)

## A. Bajaj Finance Ltd. (Contd.)

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

Lending verticals	Nature of businesses	PD			EAD	LGD
		Stage 1	Stage 2	Stage 3		
Urban sales finance	Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates	empirical performance across different DPD (Days Past Due) ranges	100%	Ascertained based on past trends of proportion of outstanding balance at time of default to the opening outstanding balance of the analysis period, except Stage 3 where EAD is 100%.	LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.
Two and three wheeler finance	Two and three wheeler financing					
Urban B2C	Personal loans to salaried and self employed individuals					
SMEs lending (excluding car loan)	Unsecured and secured loans to SME's, self employed customers and professionals.					
Rural sales finance	Financing for products such as consumer electronics, furniture, digital products, e-commerce purchases and retail spends					
Rural B2C (excluding gold loan)	Personal loans to salaried, self employed customers, professionals	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers and empirical default rates and management evaluation/judgment for wholesale loans.	empirical performance across different DPD (Days Past Due) ranges	100%		Based on management judgment
Mortgages	Home loans, loans against property, developer finance and lease rental discounting					
Gold loans	Loans with underlying security as gold					
Car loans	New and used car financing					
Loans against securities	Loans against shares, mutual funds, deposits and insurance policies					
Commercial lending	Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.	Basis external credit rating			100%	Based on management judgment

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### A. Bajaj Finance Ltd. (Contd.)

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

##### As at 31 March 2025

(₹ In Crore)

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

##### As at 31 March 2024

(₹ In Crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	198,420.15	1,904.89	1,379.26	126,087.28	2,106.05	1,436.72
Allowance for ECL	657.10	335.61	755.49	1,588.38	854.22	850.23
ECL coverage ratio	0.33%	17.62%	54.78%	1.26%	40.56%	59.18%

#### Collateral valuation

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

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

Product group	Nature of securities
Urban sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture, digital products etc.
Two and three wheeler finance	Hypothecation of underlying two and three wheeler
Car loans	Hypothecation of underlying cars
Rural sales finance	Hypothecation of underlying product financed e.g. consumer durable, furniture and digital products etc.
Rural B2C - gold loans	Pledge of gold jewellery
SME lending (Secured)	Hypothecation of underlying equipments e.g. tractors, medical equipment etc.
Mortgages	Equitable mortgage/hypothecation of residential and commercial properties, rental of collateral and cash flow of collateral
Loans against securities	Pledge of equity shares and mutual funds and lien on deposits and insurance policies
Commercial lending	Plant and machinery, book debts etc.

BFL periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customer. BFL exercises its right of repossession across all secured products and primarily in its two wheeler and three wheeler financing business. It also resorts to invoking its right under the SARFAESI Act and other judicial remedies available against its mortgages and commercial lending business. The repossessed assets are either sold through auction or released to delinquent customers in

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**A. Bajaj Finance Ltd.** (Contd.)

case they come forward to settle their dues. For its loan against securities business, BFL recoups shortfall in value of securities through part recall of loans or additional securities from the customer, or sale of underlying securities. BFL does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

**Guarantee cover taken on loans**

BFL takes guarantee cover for certain qualifying portfolios under Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI and Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Ltd. (NCGTC). Further, BFL had granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to its qualifying customer.

**Analysis of concentration risk**

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

**ECL sensitivity analysis to forward economic conditions and management overlay**

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

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

**Methodology**

BFL has adopted the use of three scenarios, representative of its view of forecast economic conditions, required to calculate unbiased estimation of forward looking economic adjustment to its ECL. They represent a most likely outcome i.e. central scenario and two less likely outer scenarios referred to as the upside and downside scenarios. BFL has assigned a 10% probability to the two outer scenarios, while the central scenario has been assigned an 80% probability. These weights are deemed appropriate for the unbiased estimation of impact of macro factors on ECL. The key scenario assumptions are used keeping in mind external forecasts and management estimates which ensure that the scenarios are unbiased.

BFL uses multiple economic factors and test their correlations with past loss trends witnessed for building its forward economic guidance (FEG) model. During the current year, BFL evaluated various macro factors GDP growth rates, growth of bank credit, wholesale price index (WPI), consumer price index (CPI), industrial production index, unemployment rate, crude oil prices and policy interest rates etc.

Based on past correlation results real GDP and unemployment rate reflected acceptable correlation with past observed default rates and basis their linkage with BFL's business were considered appropriate by the Management. Unemployment has a direct relation with the income levels and thus the growth of the economy from the expenditure side. GDP has a direct relation with the overall income levels and thus the growth of the economy from both income and output side. Accordingly, both these macro-variables directly and indirectly impact the economy. These factors were assigned appropriate weights to measure ECL in forecast economic conditions.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### A. Bajaj Finance Ltd. (Contd.)

For Unemployment, BFL has considered data published by a leading business information (BI) BFL engaged in monitoring of Indian economic indicators. In FY2025, Unemployment rate over the quarters has been oscillating around 7-9%.

- While formulating the Central Scenario for the year end, BFL has considered current unemployment rate as a quarterly average of 8.4% which may move towards an average of 7.6% over the next few years.
- For the downside scenario, BFL believes that the downside risks might have passed, but the downside peak unemployment rate might reach 11.7%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.6% within next two years.
- For the upside scenario, BFL acknowledges various surveys and studies indicating improving employment situation as also industrial recovery. Therefore, while forecasting, a positive stance has been adopted with the expectation that the unemployment levels may not drop significantly. The unemployment rate may improve to a best case of 3.4% by the end of June 2026 but may come back to a historical average of 7.6%.

For Real GDP growth, the Group has chosen to follow the RBI predictions. The Real GDP growth for Q3 2025 was at 6.2% y-o-y.

- BFL has considered the RBI projected Real GDP growth forecast of 6.5% y-o-y in the Central Scenario. The Real GDP rate is expected to moderate to 6.1% over a 3-year period.
- For the downside scenario, BFL considers that the risk may continue due to various uncertainties such as geopolitical and tariff tension and therefore assumes the GDP growth to reduce to 3.3% in Q1 FY2027, which is aligned to the lowest pre Covid GDP growth levels. Real GDP growth is subsequently expected to normalise to around 6.1% within next two years.
- For the upside scenario, an optimistic GDP estimate of 10.3% has been considered for Q1FY2027, which is aligned to the highest pre Covid GDP growth levels, before averaging back to 6.1% over two years.

#### ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Gross carrying amount of loans	414,826.50	331,334.35
Reported ECL	6,982.36	5,041.03
Reported ECL coverage	1.68%	1.52%
Base ECL without macro overlay (based on empirical evidences)	6,915.36	4,741.03
Add : Management overlay	-	144.00
ECL before management overlay for macro economic factors	6,915.36	4,885.03
<b>ECL amounts for alternate scenario</b>		
Central scenario (80%)	6,993.11	5,043.66
Downside scenario (10%)	7,550.98	5,543.48
Upside scenario (10%)	6,327.87	4,517.55
Reported ECL	6,982.36	5,041.03
<b>Management and Macro Economic overlay</b>		
Management overlay	-	144.00
Management overlay for macro economic factors	67.00	156.00
<b>ECL coverage ratios by scenario</b>		
Central scenario (80%)	1.69%	1.52%
Downside scenario (10%)	1.82%	1.67%
Upside scenario (10%)	1.53%	1.36%



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**B. Bajaj Allianz General Insurance Company Ltd. (BAGIC)****a. Risk management framework**

BAGIC sees enterprise risk management (ERM) as a means of value optimisation. This is achieved through a better understanding of the balance between risk and return in the implementation and achievement of entity's objectives. Enterprise risk management framework of BAGIC covers all risk categories independent of the assessment methodology: quantifiable, and non-quantifiable risks.

The ERM largely encompasses the following

**(i) Risk mitigation and risk culture**

It is BAGIC's policy to ensure that a robust risk awareness is embedded in its organisational risk culture. BAGIC manages risk as culture which encompasses across the organisation. Our rewards programmes across the organisation ensure the sufficient weightage is given to both top line and bottom line hence ensuring a well-balanced and idle risk reward structure.

BAGIC's risk management framework essentially operates at two levels which includes

- (i) Risk operations and monitoring which further includes a. Risk identification, b. Risk assessment and control, c. Risk treatment and management action plan and d. Monitoring and reviewing; e. Recording and reporting; f. Communication and consult and
- (ii) Risk controls and compliance which includes a. Standard operating procedures, b. Internal audit, c. External audits, and d. Periodic risk management review.

**(ii) Risk identification and assessment and reporting systems**

BAGIC's risks are measured using a method that reflects both the expected loss likely to arise in normal circumstances and unexpected losses, which are an estimate of the possible financial impact and likelihood of occurrence. The measurement framework includes (i) Risk categorisation, (ii) Setting risk appetite, (iii) Setting risk limits and lastly (iv) Assigning risk ratings including identification of residual risk, if any. The rating of risks makes use of probabilities derived from historical experience, adjusted to reflect the economic environment. BAGIC has established limits for monitoring and controlling the risks.

The Reporting systems include (i) Top risk assessment, (ii) Risk control self assessments (RCSAs) and (iii) Committee presentations.

**(iii) Governance structure**

The ERM governance structure includes (i) Board Risk Management Committee, (ii) Supervisory Level – Executive Risk Committee (ERC) and Governance and Controls Committee (GCC) and (iii) Functional Risk Owners.

**b. Non-life insurance contracts and insurance risk**

BAGIC issues the following main types of general insurance contracts: fire, marine and miscellaneous segments including motor, health, liabilities, engineering, crop etc. Risks under non-life insurance policies usually cover twelve months duration. Coverages provided to policyholders are not guaranteed as renewable.

For general insurance contracts, the most significant risks arise from

- (a) Inadequacy of premiums collected for risks underwritten,
- (b) Accepting or poor risks with high probability of heavy losses ignoring prudent underwriting guidelines,
- (c) Failure to settle claims of policyholders (inadequacy of reserves),
- (d) Credit default of investment instruments or by reinsurer,
- (e) Higher expenses,
- (f) Operational frauds.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### B. Bajaj Allianz General Insurance Company Ltd. (BAGIC) (Contd.)

These risk exposures are mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is improved by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and level of insured benefits. This is largely achieved through diversification across industry sectors and geography.

Robust underwriting and reinsurance guidelines prevent any over-exposure to a single loss event and exposure to claim payments for perils that were never intended to be insured. BAGIC maintains a very effective multi-layer reinsurance programme which seeks to optimise the retention of risk at each policy level as well as at the level of lines of business. The limits under the treaties are set based on accumulation of risks by location and category, after considering the exposure based on Probable Maximum Loss, where applicable, and the expected frequency of claim events. Any catastrophe risk is mitigated by a separate non-proportional reinsurance treaty, which limits BAGIC's exposure to any single covered event. The reinsurers chosen are most highly rated and rated few notches above the regulatory mandate. Detailed reserving guidelines are in place and the adequacy of reserves is tested from time to time and monitored by the Reserving Committee. BAGIC wide effective fraud detection and prevention mechanisms and proactive deterrence methodologies are in place. Periodical employee training and awareness campaigns are being organised across the organisation.

#### Sensitivities of claim liabilities

The non-life insurance claim liabilities are sensitive to the key assumptions in the table below. It has not been possible to quantify the sensitivity of certain assumptions such as legislative changes or uncertainty in the estimation process.

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross and net liabilities, profit before tax and equity. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear.

(₹ In Crore)					
Particulars	Change in assumptions	Increase/ (decrease) on gross liabilities	Increase/ (decrease) on net liabilities	Increase/ (decrease) on profit before tax	Increase/ (decrease) on equity
<b>31 March 2025</b>					
Average claim cost or number of claims	+ 10%	1,506.22	713.40	(713.40)	(533.85)
Average claim cost and number of claims	+ 5%	1,543.88	731.24	(731.24)	(547.20)
Average claim cost or number of claims	-10%	(1,506.22)	(713.40)	713.40	533.85
Average claim cost and number of claims	-5%	(1,468.57)	(695.57)	695.57	520.51

#### c. Liquidity risk and asset liability management (ALM)

ALM risk is the risk of a negative impact on the entity's net asset value and the risk of entity's inability to meet financial obligations when they fall due. This can arise due to a duration mismatch of assets and liabilities, corresponding different interest rate sensitivities between assets and liabilities, an unfavourable development of interest rates and the lack of liquid assets. Liquidity risk is defined as the risk that BAGIC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that BAGIC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stressed circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to BAGIC on acceptable terms.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 4. Financial risk management and other disclosures (Contd.)

## B. Bajaj Allianz General Insurance Company Ltd. (BAGIC) (Contd.)

These risks are mitigated by, asset liability matching methodology that develops optimal asset portfolio maturity structures to ensure cash flows are sufficient to meet liabilities. ALM and liquidity risk is monitored on a regular basis to ensure sufficient liquidity is maintained to meet short-term obligations by timing the cash inflows and outflows through cash flow matching and by maintaining a minimum mix of liquid assets.

BAGIC also maintains the highest level of solvency in the Industry at 325% as against the regulatory norm of 150%.

The table below summarises the expected utilisation or settlement of assets and liabilities

## 31 March 2025

(₹ In Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,375.98	-	-	-	-	1,375.98
Bank balances other than cash and cash equivalents	-	-	10.05	-	-	10.05
Trade receivables	-	-	5,432.97	-	-	5,432.97
Investments	5,199.32	13.70	130.28	10,702.52	17,047.59	33,093.41
Other financial assets	-	265.80	-	-	-	265.80
<b>Total</b>	<b>6,575.30</b>	<b>279.50</b>	<b>5,573.30</b>	<b>10,702.52</b>	<b>17,047.59</b>	<b>40,178.21</b>
<b>Financial liabilities</b>						
Trade payables						
a) Total outstanding dues of MSME	-	22.63	-	-	-	22.63
b) Other payables	-	4,508.86	-	-	-	4,508.86
Other financial liabilities	-	1,557.11	-	-	-	1,557.11
Lease contract liabilities	-	6.07	17.41	57.66	15.06	96.20
<b>Total</b>	<b>-</b>	<b>6,094.67</b>	<b>17.41</b>	<b>57.66</b>	<b>15.06</b>	<b>6,184.80</b>

## 31 March 2024

(₹ In Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>						
Cash and cash equivalents	1,028.26	-	-	-	-	1,028.26
Bank balances other than cash and cash equivalents	-	-	1.67	-	-	1.67
Trade receivables	-	-	3,490.81	-	-	3,490.81
Investments	4,299.49	117.88	40.18	10,553.67	15,207.87	30,219.09
Other financial assets	-	810.69	-	-	-	810.69
<b>Total</b>	<b>5,327.75</b>	<b>928.57</b>	<b>3,532.66</b>	<b>10,553.67</b>	<b>15,207.87</b>	<b>35,550.52</b>
<b>Financial liabilities</b>						
Trade payables						
a) Total outstanding dues of MSME	-	22.22	-	-	-	22.22
b) Other payables	-	2,970.33	-	-	-	2,970.33
Other financial liabilities	-	819.85	-	-	-	819.85
Lease contract liabilities	-	5.42	16.69	66.59	11.56	100.26
<b>Total</b>	<b>-</b>	<b>3,817.82</b>	<b>16.69</b>	<b>66.59</b>	<b>11.56</b>	<b>3,912.66</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### B. Bajaj Allianz General Insurance Company Ltd. (BAGIC) (Contd.)

##### Maturity analysis

The table below also shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to non-financial assets and liabilities, BAGIC uses the same basis of expected repayment behaviour based on past experience

(₹ In Crore)

Particulars	As on 31 March 2025			As on 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	1,375.98	-	1,375.98	1,028.26	-	1,028.26
Bank balances other than cash and cash equivalents	10.05	-	10.05	1.67	-	1.67
Trade receivables	5,432.97	-	5,432.97	3,490.81	-	3,490.81
Investments	5,343.29	27,750.11	33,093.40	4,457.55	25,761.53	30,219.08
Other financial assets	265.80	-	265.80	810.69	-	810.69
<b>Non-financial assets</b>						
Current tax assets (net)	-	85.24	85.24	-	69.75	69.75
Property, plant and equipment	-	402.21	402.21	-	395.98	395.98
Capital work in progress	-	64.37	64.37	-	31.35	31.35
Intangible assets (other than goodwill)	-	49.68	49.68	-	53.11	53.11
Other non-financial assets	746.00	6.28	752.28	681.39	6.28	687.67
Re-insurance assets	8,049.19	5,958.56	14,007.75	7,021.31	3,827.40	10,848.71
Right-of-use asset	22.26	58.18	80.44	22.09	63.01	85.10
<b>Total</b>	<b>21,245.54</b>	<b>34,374.63</b>	<b>55,620.17</b>	<b>17,513.77</b>	<b>30,208.41</b>	<b>47,722.18</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables						
a) Total outstanding dues of MSME	22.63	-	22.63	22.22	-	22.22
b) Other payables	4,508.86	-	4,508.86	2,970.33	-	2,970.33
Other financial liabilities	1,557.11	-	1,557.11	819.85	-	819.85
Lease contract liabilities	23.48	72.73	96.21	22.11	78.15	100.26
Insurance contract liabilities	13,815.63	18,642.65	32,458.28	13,191.12	16,072.21	29,263.33
<b>Non-financial liabilities</b>						
Provisions	23.63	-	23.63	20.22	-	20.22
Deferred tax liabilities (net)	-	259.53	259.53	-	118.31	118.31
Other non-financial liabilities	3,404.34	515.93	3,920.27	2,578.21	515.93	3,094.14
<b>Total</b>	<b>23,355.68</b>	<b>19,490.84</b>	<b>42,846.52</b>	<b>19,624.06</b>	<b>16,784.60</b>	<b>36,408.66</b>
<b>Net</b>	<b>(2,110.14)</b>	<b>14,883.79</b>	<b>12,773.65</b>	<b>(2,110.29)</b>	<b>13,423.81</b>	<b>11,313.52</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**B. Bajaj Allianz General Insurance Company Ltd. (BAGIC)** (Contd.)**d. Credit risk**

Credit risk is the risk that BAGIC will incur a loss because its counterparties fail to discharge their contractual obligations. This comprises of risk of loss arising due to default by counter parties and investment instrument issue, BAGIC's credit risk exposure mainly arises from its investments in financial instruments. Concentrations of credit risk are managed by setting limits on asset class, investee company, investee company group and industry exposure. Norms include those prescribed under the investment regulations and those set as internal limits based on the risk appetite of BAGIC. BAGIC monitors changes in credit risk by tracking published external credit ratings.

For any insurance Company, the biggest counterparty is a reinsurer. BAGIC has bought reinsurance protection from reinsurers with good credit rating (A- and above). Higher the credit rating lower is risk of default. Moreover, risks are passed to multiple reinsures in order to avoid accumulation of risk.

The following table presents an analysis of credit quality of financial assets at amortised cost and FVTOCI.

(₹ In Crore)

Ratings	As at 31 March 2025			As at 31 March 2024		
	Amortised cost	FVTOCI	Total	Amortised cost	FVTOCI	Total
A-	-	-	-	-	71.98	71.98
A	-	76.67	76.67	-	-	-
A+	-	-	-	-	48.97	48.97
A1+	-	-	-	-	-	-
AA	-	34.11	34.11	-	25.16	25.16
AA(SO)	-	23.57	23.57	-	49.92	49.92
AA-	-	51.55	51.55	-	-	-
AA+	-	690.85	690.85	-	-	-
AAA	150.17	12,626.95	12,777.12	85.00	7,923.45	8,008.45
AAA(SO)	-	-	-	-	-	-
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
D	-	-	-	-	-	-
Equity	-	2,766.41	2,766.41	-	3,063.20	3,063.20
Sovereign	-	14,390.66	14,390.66	-	17,800.21	17,800.21
Unrated	-	-	-	-	-	-
<b>Total</b>	<b>150.17</b>	<b>30,660.77</b>	<b>30,810.94</b>	<b>85.00</b>	<b>28,982.89</b>	<b>29,067.89</b>
ECL (12 months and life time)	-	(0.27)	(0.27)	-	(0.08)	(0.08)
<b>Net carrying amount</b>	<b>150.17</b>	<b>30,660.50</b>	<b>30,810.67</b>	<b>85.00</b>	<b>28,982.81</b>	<b>29,067.81</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### B. Bajaj Allianz General Insurance Company Ltd. (BAGIC) (Contd.)

Following table indicates whether financial assets carried at amortised cost or FVTOCI were subject to a 12-months credit loss (ECL) and life time ECL.

Ratings	As at 31 March 2025			As at 31 March 2024		
	Amortised cost	FVTOCI	Total	Amortised cost	FVTOCI	Total
Opening balance	-	0.08	0.08	-	0.11	0.11
Changes during the current period	-	-	-	-	-	-
Loss allowance at 12-month ECL	-	0.18	0.18	-	(0.03)	(0.03)
Loss allowance at life time ECL	-	-	-	-	-	-
For credit impaired instruments	-	-	-	-	-	-
For not credit impaired instruments	-	-	-	-	-	-
<b>Closing balance</b>	-	0.26	0.26	-	0.08	0.08

(₹ In Crore)

##### e. Market risk

Market risk arises from unfavourable movement in interest rates, currency rates and equity and property prices. BAGIC has very limited exposure to equity and foreign currency. Majority of BAGIC's investments comprise of fixed interest securities. The assets and liabilities of BAGIC are well matched based on duration to address the interest rate risk.

##### f. Operational risk

This comprises of risk of loss due to losses arising from failure of internal systems, process and personnel or external events. BAGIC has identified various risks under this category and has put in place appropriate controls and disaster recovery plans to mitigate or minimise the risk.

#### C. Bajaj Allianz Life Insurance Company Ltd. (BALIC)

##### a. Risk management framework

Effective risk management is based on a common understanding of risks, clear organisational structures and comprehensively defined risk management processes. There is a defined risk governance framework in place to address the risk management objectives of BALIC. The risk governance structure of BALIC consists of the Board constituted Risk Management Committee (RMC) and Executive Risk Management Committee (ERMC).

There are then the various lines of defenses which include the first line of defense as heads of each department which act as a self-defense mechanism through the internal financial control and compliance certification framework. Risk management units like enterprise risk management, operational risk management, fraud prevention and legal and compliance teams, etc. act as second line of defense, finally followed by internal and external auditors who perform independent assessments which act as the third line of defense.



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**C. Bajaj Allianz Life Insurance Company Ltd. (BALIC)** (Contd.)**b. Credit risk**

Credit risk is the risk that BALIC will incur a loss because its counterparties fail to discharge their contractual obligations. The carrying amount of financial assets represent maximum credit risk exposure.

BALIC's credit risk exposure mainly arises from its investments in financial instruments.

Concentrations of credit risk are managed by setting limits on exposure to asset classes, investee company, investee company groups and industries. Norms include those prescribed under the investment regulations by IRDAI and those set as internal limits based on the risk appetite of BALIC, restricting (minimum and maximum) on sovereign and corporate exposures, dealing only with approved counter parties, investing only in financially sound and high rated companies. Credit rating assessment, watchlist of stressed companies, credit evaluation process, on-going monitoring of counterparty and rating downgrades are also monitored regularly.

The following table presents an analysis of credit quality of financial assets at amortised cost and FVTOCI. It indicates whether financial assets carried at amortised cost or FVTOCI were subject to a 12-months credit loss (ECL) and life time ECL.

(₹ In Crore)

CRISIL ratings	As at 31 March 2025			As at 31 March 2024		
	FVTOCI	Amortised cost	Total	FVTOCI	Amortised cost	Total
12-months ECL						
Highly rated including AAA <sup>#</sup>	33,049.90	4,444.81	37,494.71	24,843.39	4,277.43	29,120.82
AA and below	108.17	-	108.17	412.51	-	412.51
Financial assets other than investments	-	3,263.41	3,263.41	-	2,421.14	2,421.14
<b>Total (a)</b>	33,158.07	7,708.22	40,866.29	25,255.90	6,698.57	31,954.47
ECL (12 months and life time)	(0.51)	(7.20)	(7.71)	(0.36)	(7.11)	(7.47)
<b>Net carrying amount (b)</b>	33,157.56	7,701.02	40,858.58	25,255.54	6,691.46	31,947.00

<sup>#</sup>Includes investments in Government securities and treasury bill.

**Reconciliation of credit loss**

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	FVTOCI	Amortised cost	Total	FVTOCI	Amortised cost	Total
Opening balance	0.36	7.11	7.47	0.32	6.52	6.84
Less: ECL reversal on asset written off	-	-	-	-	-	-
Changes during the current period						
Loss allowance at 12-month ECL	0.15	0.09	0.24	0.04	0.59	0.63
Loss allowance at life time ECL	-	-	-	-	-	-
<b>Closing balance</b>	0.51	7.20	7.71	0.36	7.11	7.47

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### C. Bajaj Allianz Life Insurance Company Ltd. (BALIC) (Contd.)

##### c. Liquidity risk

Liquidity risk is defined as the risk that BALIC will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that BALIC might be unable to meet its payment obligations when they fall due as a result of mismatches in the timing of the cash flows under both normal and stress circumstances. Such scenarios could occur when funding needed for illiquid asset positions is not available to BALIC on acceptable terms. Liquidity risk is monitored on a regular basis and mitigations to such risk include asset liability matching methodology which develops optimal asset portfolio maturity structures in business to ensure that cash flows are sufficient to meet liabilities, putting up contingency funding plan in significant stressed scenarios, by timing the cash inflows and outflows through cash flow matching and by maintaining a minimum mix of liquid assets.

The table below summarises the expected utilisation or settlement of assets and liabilities

##### As at 31 March 2025

(₹ In Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>						
Investments						
Amortised cost	-	3,000.20	1,444.60	-	-	4,444.80
FVTPL	55,800.44	-	-	-	-	55,800.44
Designated as FVTPL	-	578.92	752.70	8,638.17	23,280.92	33,250.71
FVTOCI	571.75	655.26	592.38	6,889.05	25,020.87	33,729.31
Cash and cash equivalents	661.77	-	-	-	-	661.77
Bank balances other than cash and cash equivalents	-	-	-	0.40	-	0.40
Trade receivables	-	845.65	-	-	-	845.65
Loans	-	9.01	61.95	246.87	563.35	881.18
Reinsurance assets	-	1.29	3.71	15.32	391.73	412.05
Other financial assets	-	533.78	193.77	131.77	7.90	867.22
Derivative financial instruments	-	38.89	216.62	464.99	61.45	781.95
	57,033.96	5,663.00	3,265.73	16,386.57	49,326.22	131,675.48
<b>Financial liabilities</b>						
Trade payables	-	3,230.86	-	-	-	3,230.86
Lease obligations	-	7.68	22.55	114.20	37.43	181.86
Deposits	-	-	-	4.82	-	4.82
Derivative financial instruments	-	-	-	5.56	33.35	38.91
	-	3,238.54	22.55	124.58	70.78	3,456.45

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**C. Bajaj Allianz Life Insurance Company Ltd. (BALIC)** (Contd.)

As at 31 March 2024

(₹ In Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
<b>Financial assets</b>						
Investments						
Amortised cost	-	2,842.55	333.75	1,101.13	-	4,277.43
FVTPL	51,446.31	-	-	-	-	51,446.31
Designated as FVTPL	-	430.21	480.03	6,054.68	22,894.14	29,859.06
FVTOCI	895.44	350.34	525.54	5,108.64	19,271.02	26,150.98
Cash and cash equivalents	547.16	-	-	-	-	547.16
Bank balances other than cash and cash equivalents	-	-	-	0.38	-	0.38
Trade receivables	-	627.46	-	-	-	627.46
Loans	-	6.82	28.91	212.27	388.94	636.94
Reinsurance assets	-	1.61	4.64	18.69	511.18	536.12
Other financial assets	-	386.63	33.19	177.50	4.78	602.10
Derivative financial instruments	-	18.88	108.32	361.81	74.32	563.33
	52,888.91	4,664.50	1,514.38	13,035.10	43,144.38	115,247.27
<b>Financial liabilities</b>						
Trade payables	-	2,323.23	-	-	-	2,323.23
Lease obligations	-	6.14	17.59	90.55	23.95	138.23
Deposits	-	-	-	4.86	-	4.86
Derivative financial instruments	-	-	0.83	0.28	2.90	4.01
	-	2,329.37	18.42	95.69	26.85	2,470.33

**Maturity analysis**

The table below shows an analysis of assets and liabilities analysed according to when they are expected to be recovered or settled. With regard to non-financial assets and liabilities, BALIC uses the same basis of expected repayment behaviour based on past experience.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

#### C. Bajaj Allianz Life Insurance Company Ltd. (BALIC) (Contd.)

(₹ In Crore)

Ratings	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>ASSETS</b>						
<b>Financial assets</b>						
Cash and cash equivalents	661.77	-	661.77	547.16	-	547.16
Bank balances other than cash and cash equivalents	-	0.40	0.40	-	0.38	0.38
Trade receivables	845.65	-	845.65	627.46	-	627.46
Loans	70.96	810.22	881.18	35.72	601.21	636.93
Investments	63,396.25	63,829.01	127,225.26	57,304.17	54,429.61	111,733.78
Derivative financial instruments	255.52	526.44	781.96	127.20	436.13	563.33
Reinsurance assets	4.99	407.05	412.04	6.25	529.87	536.12
Other financial assets	727.55	139.67	867.22	419.82	182.29	602.11
<b>Non financial assets</b>						
Investment property	-	23.04	23.04	-	23.96	23.96
Property, plant and equipment	-	399.44	399.44	-	379.19	379.19
Capital work-in-progress	-	25.61	25.61	-	19.68	19.68
Intangible assets under development	-	177.88	177.88	-	117.60	117.60
Intangible assets (other than goodwill)	-	15.88	15.88	-	11.03	11.03
Right-of-use asset	-	159.55	159.55	-	119.10	119.10
Other non financial assets	296.02	-	296.02	297.53	-	297.53
<b>Total</b>	<b>66,258.71</b>	<b>66,514.19</b>	<b>132,772.90</b>	<b>59,365.31</b>	<b>56,850.05</b>	<b>116,215.36</b>
<b>LIABILITIES AND EQUITY</b>						
<b>LIABILITIES</b>						
Financial liabilities						
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	3.28	-	3.28	4.89	-	4.89
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,562.94	-	1,562.94	1,218.23	-	1,218.23
Other payables						
(i) Total outstanding dues of other than micro enterprises and small enterprises	1,664.64	-	1,664.64	1,100.11	-	1,100.11
Derivative financial instruments	-	38.90	38.90	0.83	3.18	4.01
Deposits	-	4.82	4.82	-	4.86	4.86
Lease obligation	30.24	151.63	181.87	23.73	114.50	138.23
<b>Investment contracts liabilities</b>	<b>9,846.11</b>	<b>3,097.15</b>	<b>12,943.26</b>	<b>8,591.58</b>	<b>2,785.81</b>	<b>11,377.39</b>
<b>Insurance contracts liabilities</b>	<b>13,828.85</b>	<b>88,391.55</b>	<b>102,220.40</b>	<b>7,942.51</b>	<b>81,074.23</b>	<b>89,016.74</b>
<b>Non financial liabilities</b>						
Current tax liabilities (net)	296.20	-	296.20	301.42	-	301.42
Provisions	23.22	37.08	60.30	24.25	21.80	46.05
Deferred tax liabilities (net)	450.92	-	450.92	392.23	-	392.23
Other non financial liabilities	563.49	-	563.49	500.92	-	500.92
<b>Total</b>	<b>28,269.89</b>	<b>91,721.13</b>	<b>119,991.02</b>	<b>20,100.70</b>	<b>84,004.38</b>	<b>104,105.08</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**C. Bajaj Allianz Life Insurance Company Ltd. (BALIC)** (Contd.)**d. Market risk**

Market risk arises from unexpected losses arising due to changes in market prices or parameters influencing market prices, as well as the resultant risk from financial options and guarantees that are embedded in contracts or from changes to the net worth of assets and liabilities in related undertakings driven by market parameter. The risk is mitigated by maintaining a desired mix between debt and equity subjected to investment regulations by IRDAI, setting up risk appetite set to overall market risk under the strategic asset allocation, ensuring active asset management based on the ALM output, asset and liability duration matching limits impact of interest rate changes and actions taken to manage guarantee risk, holding adequate reserves for the cost of guarantee and managing policyholders' expectation on returns through an active portfolio management strategy undertaken by our most experienced Investments team.

**e. Interest risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The following analysis is performed for reasonably possible movements in key variables with all other variables held constant, showing the impact on profit before tax and equity. The correlation of variables will have a significant effect in determining the ultimate impact of interest rate risk, but to demonstrate the impact due to changes in variables, variables had to be changed on an individual basis. It should be noted that movements in these variables are non-linear.

**f. Equity risk**

Equity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or by factors affecting all similar financial instruments traded in the market. The analysis below is performed for reasonably possible movements in market indices with all other variables held constant, showing the impact on total comprehensive income (before tax) (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the Statement of Profit and Loss).

(₹ In Crore)

Particulars	Change in variable	Investments for without DPF insurance/investment contract		Investments for shareholders' fund	
		Impact on total comprehensive income (before tax)	Impact on equity	Impact on total comprehensive income (before tax)	Impact on equity
For the year ended 31 March 2025					
Interest rate	50 bps up	(1,054.88)	(901.29)	(143.08)	(122.25)
	50 bps fall	1,054.88	901.29	143.08	122.25
Nifty 50	5% rise	54.71	46.74	86.91	74.25
	5% fall	(54.71)	(46.74)	(86.91)	(74.25)
For the year ended 31 March 2024					
Interest rate	50 bps up	(709.30)	(606.03)	(184.65)	(157.77)
	50 bps fall	709.30	606.03	184.65	157.77
Nifty 50	5% rise	49.43	42.24	101.59	86.80
	5% fall	(49.43)	(42.24)	(101.59)	(86.80)

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

##### C. Bajaj Allianz Life Insurance Company Ltd. (BALIC) (Contd.)

##### g. Operational risk

Operational risk is the risk of loss arising from inadequate or failed internal processes, systems, or external events including regulatory changes. This risk is mitigated by assessment/monitoring of controls through operational risk monitoring/assurance activities and information on the operation of the control environment from management/internal audit and risk/fraud prevention functions which flags off areas where risks are identified and recorded through operational risk/audit/fraud risk registers and first line control logs.

##### h. Insurance risk

The principal risk that BALIC faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of BALIC is to ensure that the sufficient reserves are available to cover these liabilities.

The main risk that BALIC is exposed are as follows:

- i. Mortality risk: Risk of loss due to policyholder death experiences being different than expected.
- ii. Longevity risk: Risk of loss arising due to annuitant living longer than expected.
- iii. Persistency risk: Risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.
- iv. Morbidity risk: Risk of loss arising due to policyholder health experiences being different than expected.
- v. Expenses risk: Risk of loss arising due to expense experiences being different than expected.
- vi. Investment risk: Risk of loss arising due from actual returns being different than expected.

The risk exposure is mitigated by diversification across a large portfolio of insurance contract and geographical areas. The variability of the risk is also improved by careful selection and implementation of underwriting strategy guidelines, as well as the reinsurance arrangement.

The actuarial department has set up system to continuously monitor BALIC's experience with regards to parameters like policy lapses, premium persistency, maintenance expenses and investment returns. The underwriting team, with actuarial guidance, has set in place processes and procedures to review proposal. Many products offered by BALIC also have an investment guarantee. BALIC has additional reserve to cover this risk wherever applicable.

##### Key assumptions

The assumption plays vital role in calculating insurance liabilities for BALIC. Material judgment is required in determining the liabilities and in the choice of assumptions. Best estimate assumptions in use are based on historical and current experience, initial data, some judgment and as per guidance notes/actuarial practice standard. However, for the purpose of valuation an additional level of prudence has been kept on all the best estimate assumption know as MFAD (margin for adverse deviation). BALIC keeps adequate MFAD, as prescribed in APS 7 issued by the Institute of Actuaries of India (IAI), in all assumptions over best estimate value.

The key assumptions to which the estimation of liabilities is particularly sensitive are, as follows

##### i. Mortality and morbidity rates

Assumptions are based on historical experience and for new product based on industry/reinsurance data. As appropriate, but not excessive allowance may be made for expected future improvements. Assumptions may vary by type of product, distribution of channel, gender etc. An increase in mortality/morbidity rates will usually lead to a larger number/amounts of claims (and claims could occur sooner than anticipated), which will increase the liability and reduce profit for shareholders.



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**4. Financial risk management and other disclosures** (Contd.)**C. Bajaj Allianz Life Insurance Company Ltd. (BALIC)** (Contd.)**ii. Longevity**

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect BALIC's own risk experience. As appropriate, but not excessive, prudent allowance is made for expected future improvements. Assumptions are normally differentiated by gender, underwriting class and contract type. A increase in longevity rates will lead to an increase in the number of annuity payments to be made, which will increase the liability and reduce profits for shareholders.

**iii. Investment return and discount rate**

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with long-term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments. A increase in investment return could lead to an increase in the profits for the shareholders.

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on investment strategy of BALIC, current industry risk rates adjusted of BALIC's own risk exposure. Decrease in a discount rate will increase the value of insurance liability and therefore reduce profits for the shareholders.

**iv. Expense and inflation**

Operating expenses assumptions reflect the projected costs of maintaining and servicing in-force policies and associated overhead expenses. The current level of expense is taken as appropriate expense base, adjusted for expected expense inflation if appropriate. As increase in the level of expenses would result in an increase in expenditure, thereby reducing profits for the shareholders.

**v. Lapse, surrender and partial withdrawal rates**

Lapses relate to the termination of policies due to non-payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on BALIC's experience and usually vary by product type, policy duration and sales trends. As increase in lapse rates early in the life of the policy would tend to reduce profits for shareholders, but later increase are broadly neutral in effect.

The best estimate assumptions that have the greatest effect on the statement of financial position and statement of Profit and Loss of BALIC are listed below.

Particulars	Insurance and investment contract with DPF		Insurance contract without DPF	
	As at 31 March 2025	As at 31 March 2024	As at 31 March 2025	As at 31 March 2024
Mortality rates	150% of IALM 2012-14	200% of IALM 2012-14	43.75% - 550% of IALM 2012-14	43.75% - 380% of IALM 2012-14
Investment returns	6.48%	7.09%	5.25% - 7.2%	5.25% - 7.1%
Lapse	PY1: 18%, PY2: 12%, PY3+: 0.5%	PY1: 13%, PY2: 12%, PY3+: 0.5%	PY1: 3%-38%, PY2: 3%-19%, PY3+: 0.5%-6%	PY1: 3%-38%, PY2: 3%-19%, PY3+: 0.5%-10%

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 4. Financial risk management and other disclosures (Contd.)

#### C. Bajaj Allianz Life Insurance Company Ltd. (BALIC) (Contd.)

##### i. Sensitivity analysis

The following analysis is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on gross liabilities.

(₹ In Crore)

Particulars	Insurance and investment contract with DPF		Insurance contract without DPF	
	As at 31 March		As at 31 March	
	2025	2024	2025	2024
Mortality/longevity +10%	97.00	99.68	298.18	311.21
Mortality/longevity -10%	(96.91)	(135.59)	(344.73)	(309.31)
Expense +10%	54.06	56.96	31.15	68.71
Expense -10%	(53.76)	(51.12)	(111.30)	(68.23)
Lapse and surrenders + 10%	(114.96)	(83.36)	(450.34)	(325.80)
Lapse and surrenders - 10%	113.56	91.86	381.12	345.26
Discount rate +1%	(2,231.40)	(2,112.08)	(4,250.51)	(3,516.37)
Discount rate -1%	2,680.58	2,520.87	6,100.76	5,232.68

#### 5. Loans under financing activity (before inter-company eliminations)

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
<b>A. Loans</b>						
Term loans	345,415.84	68,936.10	414,351.94	272,820.72	58,037.30	330,858.02
Finance lease receivable	54.53	-	54.53	-	-	-
Credit substitutes <sup>#</sup>	420.03	-	420.03	476.33	-	476.33
<b>Total- gross</b>	345,890.40	68,936.10	414,826.50	273,297.05	58,037.30	331,334.35
Less: Impairment loss allowance	6,625.53	356.83	6,982.36	4,713.65	327.38	5,041.03
<b>Total-net (A)</b>	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
<b>B. Out of above</b>						
<b>(I) Secured</b>						
Against hypothecation of automobiles, equipments, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	180,170.64	68,936.10	249,106.74	143,667.00	58,037.30	201,704.30
Less: Impairment loss allowance	1,954.48	356.83	2,311.31	1,420.82	327.38	1,748.20
<b>Total (I)</b>	178,216.16	68,579.27	246,795.43	142,246.18	57,709.92	199,956.10
<b>(II) Unsecured</b>	165,719.76	-	165,719.76	129,630.05	-	129,630.05
Less: Impairment loss allowance	4,671.05	-	4,671.05	3,292.83	-	3,292.83
<b>Total (II)</b>	161,048.71	-	161,048.71	126,337.22	-	126,337.22
<b>Total (B) = (I + II)</b>	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 5. Loans under financing activity (before inter-company eliminations) (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
<b>C. Out of above</b>						
<b>(I) Loans in India</b>						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	345,890.40	68,936.10	414,826.50	273,297.05	58,037.30	331,334.35
Less: Impairment loss allowance	6,625.53	356.83	6,982.36	4,713.65	327.38	5,041.03
Sub-total (ii)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
Total (I) = (i+ii)	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32
<b>(II) Loans outside India</b>	-	-	-	-	-	-
<b>Total (C) = (I+II)</b>	339,264.87	68,579.27	407,844.14	268,583.40	57,709.92	326,293.32

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

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

## Loan details

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Total gross loan	417,459.54	333,778.31
Less: EIR impact	2,633.04	2,443.96
<b>Total for gross term loan net of EIR impact</b>	<b>414,826.50</b>	<b>331,334.35</b>

## Summary of loans by stage distribution

## Term Loans

(₹ In Crore)

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	405,457.84	5,403.92	3,964.74	414,826.50	324,507.43	4,010.94	2,815.98	331,334.35
Less: Impairment loss allowance	3,103.43	1,748.67	2,130.26	6,982.36	2,245.48	1,189.83	1,605.72	5,041.03
<b>Net carrying amount</b>	<b>402,354.41</b>	<b>3,655.25</b>	<b>1,834.48</b>	<b>407,844.14</b>	<b>322,261.95</b>	<b>2,821.11</b>	<b>1,210.26</b>	<b>326,293.32</b>
Impairment loss allowance as a percentage of Gross carrying amount	0.77%	32.36%	53.73%	1.68%	0.69%	29.66%	57.02%	1.52%

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 5. Loans under financing activity (before inter-company eliminations) (Contd.)

Analysis of changes in the gross carrying amount by stages in relation to loans and its corresponding impairment loss allowances (ECL) is as follows

(₹ In Crore)

Particulars	For the year ended 31 March 2025							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2024	324,507.43	2,245.48	4,010.94	1,189.83	2,815.98	1,605.72	331,334.35	5,041.03
Transfers during the year								
transfers to stage 1	418.66	97.37	(315.65)	(57.09)	(103.01)	(40.28)	-	-
transfers to stage 2	(4,679.06)	(88.48)	4,705.91	102.50	(26.85)	(14.02)	-	-
transfers to stage 3	(7,306.08)	(183.52)	(2,660.98)	(923.82)	9,967.06	1,107.34	-	-
	(11,566.48)	(174.63)	1,729.28	(878.41)	9,837.20	1,053.04	-	-
Impact of changes in credit risk on account of stage movements	-	(87.29)	-	1,374.85	-	8,048.46	-	9,336.02
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(120,373.61)	(456.63)	(1,785.40)	(464.01)	(2,895.45)	(2,380.14)	(125,054.46)	(3,300.78)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	212,890.50	1,576.50	1,449.10	526.41	1,270.44	866.61	215,610.04	2,969.52
Amounts written off during the year	-	-	-	-	(7,063.43)	(7,063.43)	(7,063.43)	(7,063.43)
<b>As at 31 March 2025</b>	<b>405,457.84</b>	<b>3,103.43</b>	<b>5,403.92</b>	<b>1,748.67</b>	<b>3,964.74</b>	<b>2,130.26</b>	<b>414,826.50</b>	<b>6,982.36</b>

(₹ In Crore)

Particulars	For the year ended 31 March 2024							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
As at 31 March 2023	241,289.96	1,957.26	3,032.91	933.29	2,312.81	1,476.20	246,635.68	4,366.75
Transfers during the period								
transfers to stage 1	473.93	138.09	(332.97)	(64.30)	(140.96)	(73.79)	-	-
transfers to stage 2	(3,074.81)	(50.96)	3,104.84	65.86	(30.03)	(14.90)	-	-
transfers to stage 3	(4,461.85)	(82.28)	(1,566.01)	(571.80)	6,027.86	654.08	-	-
	(7,062.73)	4.85	1,205.86	(570.24)	5,856.87	565.39	-	-
Impact of changes in credit risk on account of stage movements	-	(125.63)	-	885.54	-	4,999.13	-	5,759.04
Changes in opening credit exposures on account of repayments net of additional disbursements and derecognition on transfer of loans	(95,298.59)	(621.95)	(1,326.66)	(401.83)	(2,217.35)	(1,970.66)	(98,842.60)	(2,994.44)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	185,578.79	1,030.95	1,098.83	343.07	1,045.19	717.20	187,722.81	2,091.22
Amounts written off during the year	-	-	-	-	(4,181.54)	(4,181.54)	(4,181.54)	(4,181.54)
<b>As at 31 March 2024</b>	<b>324,507.43</b>	<b>2,245.48</b>	<b>4,010.94</b>	<b>1,189.83</b>	<b>2,815.98</b>	<b>1,605.72</b>	<b>331,334.35</b>	<b>5,041.03</b>

#### Finance lease disclosure

BFL has entered into lease arrangements for vehicles as a lessor. As material risks and rewards are transferred to the lessee, these are accounted as finance lease. The lease term of these leases ranges from 1 year to 5 year The contracted interest rate ranges from 10.25% to 11.50% p.a.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**5. Loans under financing activity (before inter-company eliminations)** (Contd.)

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

Particulars	For the year ended 31 March	
	2025	2024
<b>Undiscounted lease payments due</b>		
Within 12 months	16.66	-
After 12 months	51.40	-
<b>Total undiscounted lease payments receivable</b>	68.06	-
Less: Unearned finance income	13.53	-
<b>Gross finance lease receivable</b>	54.53	-
Less: Impairment loss allowance	0.35	-
<b>Net finance lease receivable</b>	54.18	-

(₹ In Crore)

**6. Debt securities - Terms of repayment (before inter-company eliminations)**

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March	
				2025	2024
<b>Redeemable at par</b>					
INE296A07FV8	9.05%	07-Apr-15	07-Apr-24	-	165.00
INE296A07RR1	5.95%	30-Mar-21	12-Apr-24	-	1,500.00
INE296A07RU5	5.65%	10-May-21	10-May-24	-	3,150.00
INE296A07PY1	8.05%	01-Jun-17	31-May-24	-	1,000.00
INE296A07QV5	8.55%	15-May-19	06-Jun-24	-	75.00
INE296A07SA5	7.20%	13-Jul-22	12-Jul-24	-	750.00
INE296A07RK6	6.00%	27-Aug-20	10-Sep-24	-	585.00
INE296A07RV3	5.55%	27-Aug-21	10-Oct-24	-	1,230.00
INE296A07EG2	9.36%	17-Nov-14	18-Nov-24	-	100.00
INE296A07QD3	7.46%	10-Oct-17	18-Nov-24	-	1,000.00
INE296A07QY9	7.66%	14-Nov-19	09-Dec-24	-	235.00
INE296A07QZ6	7.65%	28-Jan-20	07-Feb-25	-	850.00
INE296A07RC3	7.30%	20-Feb-20	10-Mar-25	-	1,035.00
INE296A07FV8	9.05%	07-Apr-15	07-Apr-25	170.00	170.00
INE296A07SK4	7.89%	21-Apr-23	10-Jun-25	1,317.00	1,317.00
INE296A07SB3	7.38%	08-Aug-22	08-Aug-25	1,575.00	1,575.00
INE296A07HW2	8.90%	20-Aug-15	20-Aug-25	90.00	90.00
INE296A07IA6	8.70%	13-Oct-15	13-Oct-25	5.00	5.00
INE296A07SF4	7.90%	16-Nov-22	17-Nov-25	5,100.00	5,100.00
INE296A07RO8	6.00%	24-Dec-20	24-Dec-25	681.00	681.00
INE296A07QS1	8.95%	09-Jan-19	08-Jan-26	1,495.00	1,495.00
INE296A07SS7	8.20%	15-Jan-24	15-Jan-26	300.00	300.00
INE296A07SJ6	8.00%	13-Apr-23	27-Feb-26	1,795.00	1,795.00

(₹ In Crore)

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 6. Debt securities - Terms of repayment (before inter-company eliminations) (Contd.)

(₹ In Crore)

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March 2025	Outstanding as at 31 March 2024
INE296A07KD6	8.90%	18-Mar-16	18-Mar-26	28.00	28.00
INE296A07KJ3	8.90%	23-Mar-16	23-Mar-26	135.00	135.00
INE296A07KU0	8.80%	30-Mar-16	30-Mar-26	5.00	5.00
INE296A07KW6	8.80%	31-Mar-16	31-Mar-26	3.00	3.00
INE296A07TA3	8.10%	22-May-24	22-May-26	500.00	-
INE296A07LG7	8.65%	04-Jul-16	03-Jul-26	47.50	47.50
INE296A07TB1	8.10%	10-Jul-24	10-Jul-26	500.00	-
INE296A07M09	8.05%	23-Sep-16	23-Sep-26	10.00	10.00
INE296A07SR9	8.10%	26-Dec-23	08-Jan-27	1,625.00	1,625.00
INE296A07TGO	7.72%	10-Dec-24	26-Mar-27	1,000.00	-
INE296A07SX7	8.12%	22-Mar-24	10-May-27	1,980.00	395.00
INE296A07RZ4	7.70%	07-Jun-22	07-Jun-27	1,581.00	1,581.00
INE296A07SC1	7.60%	25-Aug-22	25-Aug-27	920.00	920.00
INE296A07TC9	8.12%	10-Jul-24	10-Sep-27	2,815.00	-
INE296A07SE7	7.95%	25-Oct-22	25-Oct-27	610.00	610.00
INE296A07TF2	7.80%	09-Oct-24	10-Dec-27	1,750.00	-
INE296A07SG2	7.88%	19-Jan-23	19-Jan-28	856.50	856.50
INE296A07SI8	7.90%	13-Apr-23	13-Apr-28	3,010.00	3,010.00
INE296A07SN8	7.73%	07-Jun-23	07-Jun-28	500.00	500.00
INE296A07SO6	7.85%	11-Sep-23	11-Sep-28	1,195.00	1,195.00
INE296A07SQ1	8.00%	17-Oct-23	17-Oct-28	2,236.00	2,236.00
INE296A07ST5	8.10%	23-Jan-24	23-Jan-29	857.60	857.60
INE296A07SZ2	8.06%	15-May-24	15-May-29	4,777.20	-
INE296A07TD7	7.98%	31-Jul-24	31-Jul-29	4,852.00	-
INE296A08870	8.06%	04-Oct-16	04-Oct-29	365.00	365.00
INE296A07RA7	7.90%	28-Jan-20	10-Jan-30	160.00	160.00
INE296A07RD1	7.60%	28-Feb-20	11-Feb-30	2,858.40	430.00
INE296A07RJ8	7.25%	27-Aug-20	27-Aug-30	50.00	50.00
INE296A07RNO	6.92%	24-Dec-20	24-Dec-30	387.00	387.00
INE296A07RS9	7.02%	19-Apr-21	18-Apr-31	2,483.00	2,483.00
INE296A07RW1	7.15%	02-Dec-21	02-Dec-31	1,150.50	1,150.50
INE296A07SW9	7.92%	20-Feb-24	20-Feb-32	856.00	856.00
INE296A08938	8.10%	06-Jun-17	07-Jun-32	1,000.00	1,000.00
INE296A07SD9	7.82%	08-Sep-22	08-Sep-32	327.00	327.00
INE296A07SW9	7.92%	20-Feb-24	19-Feb-33	856.00	856.00
INE296A07SH0	8.08%	21-Mar-23	21-Mar-33	4,960.00	4,960.00
INE296A07SL2	7.75%	16-May-23	16-May-33	2,075.00	2,075.00
INE296A07SM0	7.72%	23-May-23	23-May-33	1,375.00	1,375.00
INE296A07SP3	7.79%	20-Sep-23	20-Sep-33	1,000.00	1,000.00
INE296A08961	9.11%	06-Nov-18	02-Nov-33	4,575.00	4,575.00



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 6. Debt securities - Terms of repayment (before inter-company eliminations) (Contd.)

(₹ In Crore)

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March 2025	Outstanding as at 31 March 2024
INE296A07SV1	7.82%	08-Feb-24	31-Jan-34	7,995.00	400.00
INE296A07SU3	7.87%	08-Feb-24	08-Feb-34	1,887.30	1,887.30
INE296A07SW9	7.92%	20-Feb-24	20-Feb-34	2,568.00	2,568.00
INE296A07SY5	7.93%	02-May-24	02-May-34	2,360.50	-
INE296A07TE5	7.70%	04-Oct-24	04-Oct-34	750.00	-
INE296A08979/ INE296A08987	7.99%	01-Jun-22	01-Jun-35	1,050.00	700.00
INE377Y07227	5.70%	28-May-21	10-Jun-24	-	1,450.00
INE377Y07235	5.60%	21-Jun-21	21-Jun-24	-	985.00
INE377Y07250	5.69%	06-Sep-21	06-Dec-24	-	565.00
INE377Y07276	5.75%	21-Sep-21	21-Apr-25	330.00	330.00
INE377Y07284	7.25%	29-Oct-21	29-Oct-31	571.00	571.00
INE377Y07300	7.70%	23-May-22	21-May-27	1,346.00	1,346.00
INE377Y07318	7.42%	12-Jul-22	12-Jul-24	-	1,000.00
INE377Y07326	7.65%	21-Jul-22	21-Jul-25	1,050.00	1,050.00
INE377Y07334	7.42%	12-Aug-22	12-Aug-25	2,100.00	2,100.00
INE377Y07342	7.28%	29-Aug-22	29-Aug-24	-	250.00
INE377Y07359	7.89%	08-Sep-22	08-Sep-32	500.00	500.00
INE377Y07367	7.84%	23-Sep-22	23-Sep-32	500.00	500.00
INE377Y07375	7.92%	09-Nov-22	16-Mar-26	2,865.00	2,865.00
INE377Y07383	7.98%	18-Nov-22	18-Nov-27	500.00	500.00
INE377Y07391	7.83%	14-Dec-22	12-Dec-25	725.00	725.00
INE377Y07409	8.04%	09-Feb-23	09-Feb-33	750.00	750.00
INE377Y07417	7.90%	28-Apr-23	28-Apr-28	500.00	500.00
INE377Y07425	7.78%	26-May-23	26-May-26	2,600.00	1,500.00
INE377Y07433	7.85%	01-Sep-23	01-Sep-28	1,350.00	1,350.00
INE377Y07441	8.04%	18-Jan-24	18-Jan-27	1,000.00	1,000.00
INE377Y07458	7.80%	09-Feb-24	09-Feb-34	1,500.00	1,000.00
INE377Y07466	8.00%	16-Feb-24	16-Feb-26	1,000.00	1,000.00
INE377Y07482	8.10%	08-May-24	08-Jul-27	3,000.00	-
INE377Y07474	8.05%	08-May-24	08-May-29	1,500.00	-
INE377Y07490	7.98%	09-Jul-24	09-Sep-26	1,520.00	-
INE377Y07508	7.89%	15-Jul-24	14-Jul-34	4,000.00	-
INE377Y07516	7.56%	04-Oct-24	04-Oct-34	1,750.00	-
INE377Y07532	7.66%	20-Dec-24	20-Mar-28	2,175.00	-
INE377Y08118	8.00%	31-Jan-20	07-Feb-35	630.00	525.00
INE377Y08126	7.70%	13-Mar-20	09-Mar-35	882.00	735.00
INE377Y07524	8.11%	17-Oct-24	17-Oct-29	1,500.00	-

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 6. Debt securities - Terms of repayment (before inter-company eliminations) (Contd.)

(₹ In Crore)

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March 2025	Outstanding as at 31 March 2024
<b>Redeemable at premium</b>					
INE296A07RY7	6.42%	18-Feb-22	18-Feb-26	906.00	906.00
INE377Y07219	5.80%	05-May-21	10-May-24	-	135.00
Subtotal				122,460.50	89,960.40
Interest accrued				4,822.82	3,294.36
Impact of EIR (including premium and discount on NCD)				(147.31)	(97.83)
Fair value gain/(loss) on NCD hedged through interest rate swap				43.29	13.09
<b>Total</b>				<b>127,179.30</b>	<b>93,170.02</b>

-Includes partly paid NCD on which amount to be called and paid is ₹ 350 crore each in May 2025 and June 2026

-Includes partly paid NCD on which amount to be called and paid is ₹ 120 crore in Jan 2026

-Includes partly paid NCD on which amount to be called and paid is ₹168 crore in Mar 2026

Out of above NCD having put option are as under:

(₹ In Crore)

ISIN	Coupon rate	Put option date	Outstanding as at 31 March 2025	Outstanding as at 31 March 2024
INE296A07SL2	7.75%	15-May-26	2,075.00	2,075.00
INE296A07SV1	7.82%	07-Feb-27	7,995.00	400.00
<b>Total</b>			<b>10,070.00</b>	<b>2,475.00</b>

#### Terms of repayment of commercial papers

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Redeemable at par with original maturity up to 1 year		
Due within 1 year	27,426.99	24,750.39
Impact of EIR	33.44	79.13
<b>Total</b>	<b>27,460.43</b>	<b>24,829.52</b>

-Interest rate ranges from 7.45% to 8.05% p.a. as at 31 March 2025 (Previous year 7.48% to 8.85% p.a.)

-As at 31 March 2025, face value of commercial paper is ₹ 27,925 crore (Previous year ₹ 25,340 crore)

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 7. Borrowings (other than debt securities) - Terms of repayment (before inter-company elimination)

## Terms of repayment of term loans from bank as at 31 March 2025

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

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

## Terms of repayment of term loans from bank as at 31 March 2024

Particulars	Due within 1 year		Due in 1 to 2 years		Due in 2 to 3 years		Due in more than 3 year		Total	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
<b>Original maturity of loan</b>										
<b>Quarterly</b>										
Up to 3 years	-	-	2	225.00	2	225.00	-	-	4	450.00
Over 3 to 4 years	42	2,015.00	28	1,125.00	20	846.88	6	281.25	96	4,268.13
Over 4 years	137	3,071.53	113	2,258.41	99	2,337.92	161	3,246.68	510	10,914.54
<b>Half yearly</b>										
Up to 3 years	2	200.00	1	100.00	4	500.00	-	-	7	800.00
Over 3 to 4 years	15	1,151.18	14	1,133.32	14	1,133.36	3	212.50	46	3,630.36
Over 4 years	117	5,907.82	136	8,519.68	149	10,750.99	251	15,596.36	653	40,774.85
<b>Yearly</b>										
Over 3 to 4 years	4	800.00	-	-	-	-	-	-	4	800.00
Over 4 years	20	1,697.91	14	1,481.66	15	1,971.66	36	3,141.57	85	8,292.80
<b>On maturity (Bullet)</b>										
Up to 3 years	4	870.00	4	2,300.00	2	550.00	-	-	10	3,720.00
Over 3 to 4 years	3	2,400.00	1	499.74	-	-	-	-	4	2,899.74
Over 4 years	-	-	-	-	1	500.00	2	2,200.01	3	2,700.01
Interest accrued	-	11.19	-	-	-	-	-	-	-	11.19
Impact of EIR										(3.35)
<b>Total</b>										79,258.27

-Interest rate ranges from 5.05 % p.a. to 9.20 % p.a. as at 31 March 2024

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 7. Borrowings (other than debt securities) - Terms of repayment (before inter-company elimination) (Contd.)

##### Terms of repayment of working capital demand loans from bank

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
<b>On maturity (Bullet)</b>				
Up to 1 year	5	2,366.27	6	3,062.24
Interest accrued		1.31		0.65
<b>Total</b>	5	2,367.58	6	3,062.89

-Interest rate ranges from 7.11% p.a. to 9.30% p.a. as at 31 March 2025 (Previous year 7.10% p.a. to 8.75% p.a.)

##### Terms of repayment of TREPs

Particulars	As at 31 March 2025		As at 31 March 2024	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
<b>On maturity (Bullet)</b>				
Up to 1 year	28	11,676.78	35	15,758.96
<b>Total</b>	28	11,676.78	35	15,758.96

-Interest rate ranges from 6.00% p.a. to 6.99% p.a. as at 31 March 2025 (Previous year 6.26% p.a. to 7.25% p.a.)

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

Particulars	Due within 1 year		Due in 1-2 years		Due in 2-3 years		Due in more than 3 years		Total	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
<b>Original maturity of loan</b>										
<b>Quarterly</b>										
More than 4 years	111	883.31	148	1,177.73	148	1,177.73	651	5,133.63	1,058	8,372.40
Interest accrued	-	-	-	-	-	-	-	-	-	-
Impact of EIR										-
<b>Total</b>										8,372.40

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

##### Terms of repayment of term loan from NHB as at 31 March 2024

Particulars	Due within 1 year		Due in 1-2 years		Due in 2-3 years		Due in more than 3 years		Total	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
<b>Original maturity of loan</b>										
<b>Quarterly</b>										
More than 4 years	78	647.47	104	863.29	104	863.29	545	4,463.54	831	6,837.59
Interest accrued	-	-	-	-	-	-	-	-	-	-
Impact of EIR										-
<b>Total</b>										6,837.59

-Interest rate ranges from 5.25 % p.a. to 8.25 % p.a. as at 31 March 2024

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 7. Borrowings (other than debt securities) - Terms of repayment (before inter-company elimination) (Contd.)

## Terms of repayment of external commercial borrowing

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ In Crore	Total no. of instalments	₹ In Crore
<b>Due within 1 to 2 year</b>				
Original maturity over 2 to 3 years	5	3,637.21	-	-
Original maturity over 3 years	4	2,567.44	-	-
<b>Due within 2 to 3 year</b>				
Original maturity over 2 to 3 years	11	8,558.14	5	3,543.39
Original maturity over 3 years	1	641.06	4	2,501.22
Interest accrued		34.80		10.01
Impact of EIR		(65.02)		(36.17)
<b>Total</b>	<b>21</b>	<b>15,373.63</b>	<b>9</b>	<b>6,018.45</b>

-Contracted Interest rate ranges from 5.30% p.a. to 5.61% p.a. as at 31 March 2025 (Previous year 5.96% p.a. to 6.61% p.a.)

-Interest rate ranges from 7.47% p.a. to 8.11% p.a. post effective hedge as at 31 March 2025 (Previous year 7.40% p.a. to 8.11% p.a.)

## Terms of repayment of Repo borrowing

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ In Crore	Total no. of instalments	₹ In Crore
<b>On maturity (Bullet)</b>				
Up to 1 year	10	3,929.78	-	-
<b>Total</b>	<b>10</b>	<b>3,929.78</b>	<b>-</b>	<b>-</b>

-Contracted Interest rate is 7.40% p.a. as at 31 March 2025 (Previous year Nil)

## Terms of repayment of Associated liabilities in respect of securitisation transactions

Particulars	As at 31 March 2025		As at 31 March 2024	
	Total no. of instalments	₹ In Crore	Total no. of instalments	₹ In Crore
<b>Original maturity over 3 years</b>				
Due Within 1 year	12	396.97	-	-
Due in 1 to 2 years	12	413.91	-	-
Due in 2 to 3 years	12	381.74	-	-
Due in over 3 years	24	556.29	-	-
Interest accrued		4.89	-	-
Impact of EIR		(0.12)	-	-
	<b>60</b>	<b>1,753.68</b>	<b>-</b>	<b>-</b>

-Contracted Interest rate is 7.75% p.a. as at 31 March 2025 (Previous year Nil)

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 8. Deposits - Terms of repayment

##### Terms of repayment of deposits as at 31 March 2025

(₹ In Crore)

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

##### Terms of repayment of deposits as at 31 March 2024

(₹ In Crore)

Particulars	Residual maturity of loans				Total
	Due within 1 year	Due in 1-2 years	Due in 2-3 years	Due in more than 3 years	
<b>Original maturity of deposit</b>					
Up to 1 year	11,645.18	-	-	-	11,645.18
Over 1 to 2 years	9,012.39	3,409.77	-	-	12,422.16
Over 2 to 3 years	4,578.31	4,635.63	2,548.35	-	11,762.29
Over 3 years	1,350.99	2,782.64	9,265.73	8,865.68	22,265.04
Interest accrued	1,269.13	451.67	378.50	141.75	2,241.05
Impact of EIR					(184.80)
<b>Total</b>					60,150.92

#### 9. Subordinated liabilities - Terms of repayment

##### Terms of repayment of subordinated liabilities as at 31 March 2025

(₹ In Crore)

ISIN	Coupon rate	Issue date	Date of redemption	Outstanding as at 31 March 2025	Outstanding as at 31 March 2024
Redeemable at par					
INE296A08714	10.15%	19-Sep-14	19-Sep-24	-	452.50
INE296A08755	8.94%	21-Oct-15	21-Oct-25	40.00	40.00
INE296A08763	8.94%	09-Nov-15	07-Nov-25	250.00	250.00
INE296A08771	8.85%	15-Jul-16	15-Jul-26	490.00	490.00
INE296A08789	8.85%	21-Jul-16	21-Jul-26	480.00	480.00
INE296A08797	8.75%	16-Aug-16	14-Aug-26	485.00	485.00
INE296A08805	8.45%	29-Sep-16	29-Sep-26	500.00	500.00
INE296A08821	8.05%	02-Dec-16	02-Dec-26	105.00	105.00
INE296A08847	8.15%	22-Jun-17	22-Jun-27	600.00	600.00
Subtotal				2,950.00	3,402.50
Interest accrued				158.92	183.48
Impact of EIR				(5.38)	(8.08)
<b>Total</b>				3,103.54	3,577.90



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 10. Insurance contracts liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Insurance contracts liabilities		
General insurance contracts liabilities	32,458.28	29,263.33
Life insurance contracts liabilities	100,352.03	86,880.53
Undistributed participating policyholders surplus	1,868.37	2,136.21
<b>Total</b>	<b>134,678.68</b>	<b>118,280.07</b>
<b>Change in general insurance contracts liabilities</b>		
At the beginning of the year	29,263.33	24,169.02
Add: Premium earned	10,242.10	9,627.44
Less Premium written	(9,627.89)	(7,064.68)
Add: Claims incurred (including IBNR)	33,317.64	19,820.62
Less: Claim outstanding (including IBNR)	(30,736.90)	(17,289.07)
<b>Total</b>	<b>32,458.28</b>	<b>29,263.33</b>

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	With DPF	Without DPF	Total	With DPF	Without DPF	Total
<b>Change in life insurance contracts liabilities</b>						
At the beginning of the year	25,839.18	61,041.35	86,880.53	22,911.26	45,348.21	68,259.47
Add/(Less)						-
Premium	5,700.38	19,886.41	25,586.79	4,881.49	16,203.04	21,084.53
Insurance liabilities released	(4,280.34)	(13,830.27)	(18,110.61)	(4,813.69)	(11,988.34)	(16,802.03)
Unwinding of discount rate	1,558.91	3,785.07	5,343.98	1,416.40	11,314.94	12,731.34
Others	938.91	(287.57)	651.34	1,443.72	163.50	1,607.22
<b>Total</b>	<b>29,757.04</b>	<b>70,594.99</b>	<b>100,352.03</b>	<b>25,839.18</b>	<b>61,041.35</b>	<b>86,880.53</b>
<b>Undistributed participating policyholders surplus</b>						
Opening balance	2,136.21	-	2,136.21	1,673.18	-	1,673.18
Amount utilised during the year	(284.56)	-	(284.56)		-	-
Amount credited during the year	-	16.72	16.72	463.03	-	463.03
<b>Total</b>	<b>1,851.65</b>	<b>16.72</b>	<b>1,868.37</b>	<b>2,136.21</b>	<b>-</b>	<b>2,136.21</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 11. Investment contracts liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
Investment contracts liabilities	12,943.26	11,377.39
	12,943.26	11,377.39
<b>Reconciliation of investment contracts liabilities:</b>		
<b>At the beginning of the year</b>	11,377.39	9,797.32
Additions		
Deposits	1,573.27	1,958.52
Interest credited to policyholders'	1,217.43	941.29
	2,790.70	2,899.81
Deductions		
Withdrawals	1,180.59	1,279.38
Fee income and other expenses	44.24	40.36
Others	-	-
	1,224.83	1,319.74
<b>At the end of the year</b>	12,943.26	11,377.39

#### 12. Material partly owned subsidiaries

Financial information of subsidiaries that have material non-controlling interests is provided below

##### Proportion of equity interest held by non-controlling interests:

Name	Country of incorporation and operation	As at 31 March	
		2025	2024
Bajaj Finance Ltd.	India	51.39%	51.34%
Bajaj Allianz General Insurance Company Ltd.	India	74.00%	74.00%
Bajaj Allianz Life Insurance Company Ltd.	India	74.00%	74.00%

##### Information regarding non-controlling interest

Particulars	As at 31 March	
	2025	2024
<b>Accumulated balances of material non-controlling interest</b>		
Bajaj Finance Ltd.	49,394.48	37,357.02
Bajaj Allianz General Insurance Company Ltd.	3,321.15	2,941.52
Bajaj Allianz Life Insurance Company Ltd.	3,323.29	3,148.67
<b>Profit/(loss) allocated to material non-controlling interest</b>		
Bajaj Finance Ltd.	8,232.29	6,928.07
Bajaj Allianz General Insurance Company Ltd.	403.13	358.88
Bajaj Allianz Life Insurance Company Ltd.	49.91	160.62

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 12. Material partly owned subsidiaries (Contd.)

## Summarised Statement of Profit and Loss for the year ended 31 March 2025

(₹ In Crore)

Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Revenue from operations	69,683.51	31,965.28	31,683.06
Other income	41.27	68.92	455.88
<b>Total income</b>	<b>69,724.78</b>	<b>32,034.20</b>	<b>32,138.94</b>
Employee benefits expenses	7,508.34	1,257.23	2,769.95
Finance costs	24,770.79	7.39	12.29
Fees and commission expense	2,597.66	3,380.58	3,263.07
Impairment on financial instruments	7,966.03	(18.69)	0.24
Claims incurred pertaining to insurance business	-	12,481.51	12,308.88
Reinsurance ceded	-	11,404.22	470.36
Net change in insurance/investment contracts liabilities	-	539.84	11,861.96
Depreciation, amortisation and impairment	880.99	83.92	91.29
Other expenses	3,939.15	829.22	1,273.15
<b>Total expenses</b>	<b>47,662.96</b>	<b>29,965.22</b>	<b>32,051.19</b>
Share of profit/(loss) from associates	17.81	-	-
Profit before tax	22,079.63	2,068.98	87.75
Tax expense	5,300.15	518.49	(104.20)
Profit attributable to non-controlling interest	141.66	-	-
<b>Profit for the year</b>	<b>16,637.82</b>	<b>1,550.49</b>	<b>191.95</b>
<b>Total comprehensive income</b>	<b>16,511.64</b>	<b>2,121.95</b>	<b>1,168.94</b>
Attributable to non-controlling interests	8,175.89	551.71	303.92
Dividends paid to non-controlling interests	1,082.32	171.95	129.31

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 12. Material partly owned subsidiaries (Contd.)

##### Summarised Statement of Profit and Loss for the year ended 31 March 2024

	(₹ In Crore)		
Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Revenue from operations	54,973.89	27,241.87	27,355.11
Other income	8.62	57.41	318.02
<b>Total income</b>	<b>54,982.51</b>	<b>27,299.28</b>	<b>27,673.13</b>
Employee benefits expenses	6,396.01	1,081.10	2,401.18
Finance costs	18,724.69	5.64	9.37
Fees and commission expense	1,931.50	2,871.04	2,166.64
Impairment on financial instruments	4,630.70	2.25	0.63
Claims incurred pertaining to insurance business	-	10,412.56	11,417.70
Reinsurance ceded	-	9,183.39	379.75
Net change in insurance / investment contracts liabilities	-	1,092.01	9,163.48
Depreciation, amortisation and impairment	683.32	72.75	76.81
Other expenses	3,314.36	750.26	1,334.90
<b>Total expenses</b>	<b>35,680.58</b>	<b>25,471.00</b>	<b>26,950.46</b>
Share of profit/(loss) from associates	7.64	-	-
Profit before tax	19,309.57	1,828.28	722.67
Tax expense	4,858.40	447.98	104.92
<b>Profit for the year</b>	<b>14,451.17</b>	<b>1,380.30</b>	<b>617.75</b>
<b>Total comprehensive income</b>	<b>14,516.68</b>	<b>2,172.11</b>	<b>1,817.24</b>
Attributable to non-controlling interests	6,966.11	564.75	472.49
Dividends paid to non-controlling interests	884.45	77.38	117.55

##### Summarised Balance Sheet as at 31 March 2025

	(₹ In Crore)		
Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Financial assets	460,437.18	54,185.96	131,675.48
Non-financial assets	5,689.65	1,434.22	1,097.42
Financial liabilities	366,042.93	6,184.81	16,399.71
Insurance contracts liabilities	-	32,458.28	102,220.40
Non-financial liabilities	1,147.01	4,203.43	1,370.91
Equity	99,150.73	12,773.66	12,781.88
<b>Attributable to</b>			
Equity holders of the parent	49,802.53	9,452.51	9,458.59
Non-controlling interest	49,348.20	3,321.15	3,323.29

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 12. Material partly owned subsidiaries (Contd.)

## Summarised Balance Sheet as at 31 March 2024

(₹ In Crore)

Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Financial assets	370,991.19	46,399.22	115,247.26
Non-financial assets	4,750.43	1,322.97	968.09
Financial liabilities	298,020.96	3,912.66	13,847.71
Insurance contracts liabilities	-	29,263.33	89,016.74
Non-financial liabilities	1,025.31	3,232.67	1,240.62
Equity	76,969.75	11,313.53	12,110.28
<b>Attributable to</b>			
Equity holders of the parent	39,612.73	8,372.01	8,961.61
Non-controlling interest	37,357.02	2,941.52	3,148.67

## Summarised cash flow information for the year ended 31 March 2025

(₹ In Crore)

Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Operating	(68,154.47)	582.77	6,134.15
Investing	(2,765.02)	556.76	(5,441.68)
Financing	70,527.44	(760.10)	(538.31)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(392.05)</b>	<b>379.43</b>	<b>154.16</b>

## Summarised cash flow information for the year ended 31 March 2024

(₹ In Crore)

Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Operating	(69,843.31)	1,366.69	3,565.05
Investing	(10,088.01)	(765.00)	(2,857.31)
Financing	82,415.08	(383.34)	(485.66)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,483.76</b>	<b>218.35</b>	<b>222.08</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 13. Derivatives (BALIC)

BALIC offers guaranteed products wherein the policyholders are assured of a fixed rate of return for premiums to be received in the future. These premiums are likely to be received over a longer tenure and the guaranteed rate of return is fixed at the beginning of the policy term. Any fall in interest rates would mean that each incremental investment of BALIC would earn a lower rate of return. Accordingly, a fall in interest rates would mean lower interest earnings for BALIC from future investments, thereby exposing the Company to interest rate risk. IRDAI master circular for Actuarial, Finance and Investment Functions of Insurers, 2024 allows insurers to deal in rupee denominated interest rate derivatives to hedge the volatility of returns from future fixed income investments, due to variations in market interest rates.

BALIC as part of its hedging strategy, enters into forward rate agreement (FRA) transactions to hedge the risk of movements in interest rates for highly probable forecasted transactions as permitted by the IRDAI.

FRA is a forward contract to hedge the risk of movements in interest rates. In a FRA, BALIC fixes the yield on the bond for the period till the maturity of the contract. As on the date of entering the FRA, BALIC fixes the yield on future investments in a bond. BALIC is using FRA to hedge the interest rate risk arising out of highly probable forecasted future cash inflows. These highly probable forecasted future cash inflows arise from already written insurance policies or from interest income and redemption of investments.

BALIC has a Board approved derivative policy and process document setting out the strategic objectives, risk measures and functioning of the derivative transactions as per the hedging strategy. The Company is following hedge accounting for all derivative transactions.

FRA are undertaken by BALIC solely for the purpose of hedging interest rate risks on account of following forecasted transactions:

- Reinvestment of maturity proceeds of existing fixed income investments;
- Investment of interest income receivable; and
- Expected policy premium income receivable on insurance contracts which are already underwritten in life, pension and annuity business.

#### a. Nature and terms of outstanding derivative contract

#### I. Total notional principal amount of FRA undertaken during the year and outstanding at the year end

(₹ In Crore)

Sr. No. Particulars	As at 31 March	
	2025	2024
i) Total notional principal amount of forward rate agreements undertaken during the year	11,249.86	10,104.99
ii) Total notional principal amount of forward rate agreements outstanding at the year-end	27,803.93	21,640.88
iii) Notional principal amount of outstanding and not 'highly effective' as at balance sheet date	-	-
iv) Mark-to-market value of FRA and not 'highly effective' as at balance sheet date	-	-
v) Loss which would be incurred if counter party failed to fulfil their obligation under agreements*	1,212.09	958.30

\* Potential Future Credit Exposure calculated as per IRDAI Master Circular

II. The fair value gain/loss (MTM) with respect of forward rate agreements outstanding as at the balance sheet date	743.06	559.31
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## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**13. Derivatives (BALIC)** (Contd.)**b. Movement in cash flow hedge reserve**

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	13.83	643.30	657.13	(27.11)	80.16	53.05
Add: Changes in the fair value during the year	160.05	189.59	349.64	36.79	563.14	599.93
Less: Amount reclassified from OCI to profit or loss	10.98	-	10.98	4.15	-	4.15
Balance at the end of the year (Net of tax)	184.86	832.89	1,017.75	13.83	643.30	657.13

An amount of ₹ 35.01 crore (31 March 2024 ₹ 79.78 crore) was recognised in Statement of Profit and Loss on account of cash flow hedge.

**c. Counterparty wise details**

(₹ In Crore)

Name of counterparty	As at 31 March 2025	As at 31 March 2024
	ANZ Bank / Axis Bank Ltd / BNP Paribas / Bank of America N.A. / Barclays Bank PLC / Citibank NA / DBS Bank India Ltd / HDFC Bank Ltd / HSBC Ltd / J.P. Morgan Chase / Kotak Mahindra Bank Ltd / Mizuho Bank / Standard Chartered Bank	Axis Bank Ltd / BNP Paribas / Bank of America N.A. / Citibank NA / DBS Bank India Ltd / HDFC Bank Ltd / HSBC Ltd / J.P. Morgan Chase / Standard Chartered Bank
Current credit exposure	781.96	563.33
Potential future credit exposure	1,212.09	958.30
Credit exposure	1,994.05	1,521.63

The credit exposure has been calculated on the basis of credit equivalent amount using the current exposure method (CEM) which is sum of the following

- The current credit exposure (gross positive mark to market value of the contract) and
- Potential future credit exposure which is a product of the notional principal amount across the outstanding contract and a factor that is based on the mandated credit conversion factors as prescribed under the IRDAI Master Circular for Actuarial, Finance and Investment Functions of Insurers, 2024, which is applied on the residual maturity of the contract.

**d. Price sensitivity of outstanding interest rate derivative contracts**

(₹ In Crore)

Name of counterparty	As at 31 March	
	2025	2024
PV01 (Price value of one basis point)		
Hedge instrument	(27.83)	(19.59)
Hedge item	28.05	19.75

PV01 measures the change in the present value of the hedge instrument/item resulting from one basis point shift in the yield and overnight interest rate swap (OIS) curve.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 14. Fair value of equity investments at FVTOCI

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Apollo Hospitals Enterprise Ltd.	20.37	-
Asian Paints Ltd.	-	5.69
Astral Ltd.	2.72	20.91
Avenue Supermarts Ltd.	4.08	-
Axis Bank Ltd.	67.41	115.58
Bayer CropScience Ltd.	-	13.66
Bharti Airtel Ltd.	134.72	115.16
Bharti Airtel Rights (Partly Paid)	1.57	-
Blue Star Ltd.	13.46	-
Bharat Electronics Ltd	13.11	30.75
Bharat Forge Ltd.	-	20.09
Britannia Industries Ltd.	40.53	45.19
Bosch Ltd.	-	-
Cipla Ltd.	13.99	26.35
Cholamandalam Investment and Finance Company Ltd.	-	10.53
Coal India Ltd	29.79	9.77
Cummins India Ltd.	1.83	-
Divis Laboratories Ltd.	8.09	18.95
Dr Reddys Laboratories Ltd.	38.51	73.41
Eicher Motors Ltd	8.02	26.13
Embassy Office Parks REIT	10.36	-
Godrej Consumer Products Ltd.	27.25	44.44
Havells India Ltd	2.90	-
HCL Technologies Ltd.	54.47	74.24
HDFC Asset Management Company Ltd.	6.82	-
HDFC Bank Ltd.	698.50	519.87
Hero Motocorp Ltd.	8.00	-
Hindalco Industries Ltd.	14.40	23.25
Hindustan Unilever Ltd.	110.22	118.42
Hindustan Aeronautics Ltd.	-	33.27
ICICI Bank Ltd.	262.25	304.16
IDFC First Bank Ltd.	12.33	16.91
Info Edge India Ltd.	13.64	-
Infosys Ltd.	237.32	199.09
InterGlobe Aviation Ltd.	5.63	-
ITC Ltd.	152.99	158.15
ITC Hotel Ltd. (Demerged)	6.29	-
Kotak Mahindra Bank Ltd.	114.86	94.46
LTIMindtree Ltd.	8.98	30.62
Larsen & Toubro Ltd.	101.65	241.28
Lupin Ltd.	2.03	5.66

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 14. Fair value of equity investments at FVTOCI (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Mahindra & Mahindra Ltd.	69.84	79.54
Marico Ltd.	-	2.29
Maruti Suzuki India Ltd.	56.23	63.63
NTPC Ltd.	98.84	66.25
Nestle India Ltd.	47.27	78.67
One MobiKwik Systems Ltd.	242.61	-
Oil & Natural Gas Corporation Ltd.	13.65	8.04
Persistent Systems Ltd.	9.37	-
Power Grid Corporation of India Ltd.	23.88	59.38
RBL Bank Ltd.	74.16	102.89
Reliance Industries Ltd.	265.36	493.31
Sanofi India Ltd.	-	17.85
SBI Life Insurance Company Ltd.	9.75	-
State Bank of India	65.27	73.13
Sun Pharmaceuticals Industries Ltd.	74.44	106.17
Tata Consultancy Services Ltd.	183.25	233.42
Tata Consumer Products Ltd.	3.00	4.60
Tata Motors Ltd.	37.80	70.53
Tata Steel Ltd.	15.74	33.75
Tech Mahindra Ltd.	-	13.73
The Ramco Cements Ltd.	-	5.26
The Federal Bank Ltd.	-	16.17
Titan Company Ltd.	50.55	92.38
Trent Ltd.	13.85	-
TVS Motor Company Ltd.	9.20	20.23
Voltas Ltd.	21.01	-
Wipro Ltd.	10.42	9.53
Yatra Online Ltd.	4.28	7.56
Zomato Ltd.	6.11	2.95
Zydus Lifesciences Ltd	-	3.53
<b>Fair Value</b>	<b>3,654.97</b>	<b>4,060.78</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 15. Ultimate beneficiary

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

No funds (which are material either individually or in the aggregate) have been received by BFL and its subsidiary viz BFinsec and BHFL from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the BFL and BFinsec shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

One of the subsidiary viz BHFL has received fund from entities (Funding Party) with the understanding that the BHFL shall directly or indirectly lend to other entities.

##### Details of transaction in FY2024-25

Nil

##### Details of transaction in FY 2023-24

(₹ In Crore)					
Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries or ultimate beneficiaries	Date of fund advanced or loaned	Amount of fund advanced or loaned
Chayadeep Properties Pvt Ltd	22-Sep-22	8.33	Karuna Business Solutions LLP	31-Aug-23	5.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078	23-Sep-23	10.83	Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036	22-Sep-23	3.00
CIN: U45203KA2003PTC094179			LLP IN: AAD-0057	27-Sep-23	1.76

BHFL does not have relationship in terms of Companies Act 2013 and Ind AS 24 with the funding parties and beneficiaries companies.

In respect of above transactions, relevant provisions of the Foreign Exchange Management Act, 1999 (42 of 1999) and Companies Act has been complied with and the transactions are not violative of the Prevention of Money-Laundering Act, 2002 (15 of 2003).

#### 16. Relationship with struck off companies

					(₹ In Crore)
S. No.	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding 31 March 2025	Balance outstanding 31 March 2024
1	Abhilash Global Corporation Pvt. Ltd.	Loan receivable	No	0.02	0.05
2	Adwave Publicity & Media Pvt. Ltd.	Loan receivable	No	-	-
3	Alpic Formulations Pvt. Ltd.	Loan receivable	No	0.02	0.04
4	Asquare Events And Production Pvt. Ltd.	Loan receivable	No	0.13	0.13
5	Astor Metal Industries Pvt. Ltd.	Loan receivable	No	-	0.18
6	Attract Force Management Service Pvt. Ltd.	Loan receivable	No	-	0.03
7	Balsam Publishing House Pvt. Ltd.	Loan receivable	No	-	

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

## 46 Other disclosures (Contd.)

## 16. Relationship with struck off companies (Contd.)

			(₹ In Crore)		
S. No.	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding 31 March 2025	Balance outstanding 31 March 2024
8	Bhandari Hotels Pvt. Ltd.	Loan receivable	No	0.08	0.08
9	Colimetrics Software Pvt. Ltd.	Loan receivable	No	-	-
10	Criper Garments (India) Pvt. Ltd.	Loan receivable	No	-	-
11	CSE Computer Solutions East Pvt. Ltd.	Loan receivable	No	0.38	0.44
12	Daffodils Daily (OPC) Pvt. Ltd.	Loan receivable	No	0.10	0.11
13	First Office Solutions India Pvt. Ltd.	Loan receivable	No	0.01	0.04
14	First Paper Idea India Pvt. Ltd.	Loan receivable	No	0.11	0.11
15	Grabstance Technologies Pvt. Ltd.	Loan receivable	No	-	0.01
16	Green Way Super Market Pvt. Ltd.	Loan receivable	No	0.11	0.11
17	Hunting Hawks Security & Facility Services Pvt. Ltd.	Loan receivable	No	-	-
18	Hyper Collective Creative Technologies Pvt. Ltd.	Loan receivable	No	-	-
19	Indira Smart Systems Pvt. Ltd.	Loan receivable	No	0.07	0.08
20	Indochin Electrotech Pvt. Ltd.	Loan receivable	No	0.13	0.13
21	Invision Entertainment Pvt. Ltd.	Loan receivable	No	-	0.13
22	Janhavi Exim Pvt. Ltd.	Loan receivable	No	-	-
23	Jey Pee Nets Pvt. Ltd.	Loan receivable	No	-	-
24	Kool Gourmet Pvt. Ltd.	Loan receivable	No	0.10	0.10
25	Koolair Systems Pvt. Ltd.	Loan receivable	No	-	-
26	Lift And Tech Engineering Contractors Pvt. Ltd.	Loan receivable	No	-	-
27	M N S Logistics Pvt. Ltd.	Loan receivable	No	-	-
28	M.Y. Transport Company Pvt. Ltd.	Loan receivable	No	3.05	-
29	Mazda Agencies Pvt. Ltd.	Loan receivable	No	-	-
30	Mechwing Engineering & Services Pvt. Ltd.	Loan receivable	No	-	0.08
31	Multitech System Industrial Automation Pvt. Ltd.	Loan receivable	No	-	-
32	Nur Automation Pvt. Ltd.	Loan receivable	No	-	0.06
33	PMK Vastra Overseas Pvt. Ltd.	Loan receivable	No	-	-
34	Priyanka Management Solutions (India) Pvt. Ltd.	Loan receivable	No	-	-
35	R. R. Movers & Logistics Pvt. Ltd.	Loan receivable	No	-	0.13
36	Relied Staffing Solution Pvt. Ltd.	Loan receivable	No	-	0.12
37	S K S Bio - Analytical Systems Pvt. Ltd.	Loan receivable	No	-	-
38	Satidham Industries Pvt. Ltd. (₹ 40,000 at face value of ₹ 10/-, Previous year Nil)	Equity shares	No	-	-
39	Shrine Infrastructure Pvt. Ltd.	Loan receivable	No	0.61	0.52
40	Singh Hindustan Marine Pvt. Ltd.	Loan receivable	No	-	-
41	Solaris People Solutions Pvt. Ltd.	Loan receivable	No	-	-
42	Spice Flora (India) Pvt. Ltd.	Loan receivable	No	-	-
43	Sri Beera Barji Trading Co. Pvt. Ltd.	Loan receivable	No	-	0.05
44	Sun-Moon Couriers Pvt. Ltd.	Loan receivable	No	-	-
45	Tejas India Buildtech Pvt. Ltd.	Loan receivable	No	0.14	0.14
46	Thanvee Sree Foods Pvt. Ltd.	Loan receivable	No	-	-
47	Times Partner Services Pvt. Ltd.	Loan receivable	No	-	-

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 16. Relationship with struck off companies (Contd.)

(₹ In Crore)

S. No.	Name of struck off company	Nature of transactions with struck-off company	Relationship with the struck off company	Balance outstanding 31 March 2025	Balance outstanding 31 March 2024
48	Tulsians Kharidiye Pvt. Ltd.	Loan receivable	No	-	-
49	Underground Pipeline And Non-Destructive Testing Services Pvt. Ltd.	Loan receivable	No	-	-
50	Valueaid HR Services (OPC) Pvt. Ltd.	Loan receivable	No	-	-
51	Keen Financial Services Pvt. Ltd.	Payables	No	-	-
52	Keynote Management Accountancy And Consulting Pvt. Ltd.	Payables	No	-	-
53	Daytoday Technologies (OPC) Pvt. Ltd.	Payables	No	-	-
54	Akshda Well Wisher Advisory (OPC) Pvt. Ltd.	Payables	No	-	-
55	Aleem Autos Pvt. Ltd.	Payables	No	-	-
56	Visakam Motors Pvt. Ltd.	Payables	No	-	-

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

#### 17. Disclosure pertaining to stock statement filed with banks or financial institutions

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

For the financial year ended 31 March 2025 and 31 March 2024, the quarterly statements or returns of current assets filed by BFL with banks are in agreement with books of accounts.

#### 18. Capital work-in-progress

##### i) Movement in capital work-in-progress (CWIP)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Carrying amount at the beginning of the year	82.12	61.84
Add: Additions	294.64	241.78
Less: Disposal/capitalisation	253.81	221.50
Carrying amount at the end of the year	122.95	82.12



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**18. Capital work-in-progress** (Contd.)**ii) Capital work-in-progress ageing schedule****Current year**

(₹ In Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	58.08	18.78	5.80	40.29	122.95

There are no projects temporarily suspended and hence not required to be disclosed separately

**Previous year**

(₹ In Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	35.38	6.03	18.74	21.97	82.12

There are no projects temporarily suspended and hence not required to be disclosed separately

**19. Intangible assets under development****i) Movement in intangible assets under development**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Carrying amount at the beginning of the year	137.96	129.43
Add: Additions	566.52	484.30
Less: Disposal/capitalisation	513.40	475.77
Carrying amount at the end of the year	191.08	137.96

**ii) Intangible assets under development ageing schedule****Current year**

(₹ In Crore)

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	76.38	44.55	23.24	46.91	191.08

There are no projects temporarily suspended and hence not required to be disclosed separately

**Previous year**

(₹ In Crore)

Particulars	Amount in Intangible assets under development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	67.80	23.24	16.91	30.01	137.96

There are no projects temporarily suspended and hence not required to be disclosed separately

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 46 Other disclosures (Contd.)

#### 20. Other information as per Ind AS 107 (BFL)

##### A. Transfer of financial assets that are derecognised in their entirety where the Group has continuing involvement

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

##### B. Transfer of financial assets that are not derecognised in their entirety

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

BFL has executed securitisation transaction by transferring certain loan receivables to Special Purpose Vehicle Trust (SPV Trust) established by commercial bank. The consideration received for this transaction is presented in borrowings as associated liabilities in respect of securitisation transactions. BFL has provided credit enhancement in various forms such as cash collateral, subscription to subordinated PTCs as credit support in case of shortfall in collections from underlying loan receivables.

The following table provides a summary of financial assets that have been transferred in such a way that part or all of the transferred financial assets do not qualify for derecognition, together with the associated liabilities:

Particulars	For the year ended 31 March	
	2025	2024
<b>Securitisations</b>		
Carrying amount of transferred assets (measured at amortised cost)	1,976.92	-
Carrying amount of associated liabilities (measured at amortised cost)	1,753.80	-
Fair value of assets (A)	1,975.04	-
Fair value of associated liabilities (B)	1,742.93	-
Net position at fair value (A-B)	232.11	-

(₹ In Crore)

#### 21. Other information as per Ind AS 7 (BFL)

##### (a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 - Statement of Cash Flows)

BFL does not have any financing activities and investing activities which affect the capital and asset structure of BFL without the use of cash and cash equivalents.

##### (b) Changes in liability arising from financing activities (Ind AS 7 - Statement of Cash Flows)

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

(₹ in crore)

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**46 Other disclosures** (Contd.)**21. Other information as per Ind AS 7 (BFL)** (Contd.)

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows during the year (net)	Foreign exchange fluctuations	Other	As at 31 March 2024
Debt securities	86,845.24	30,123.42	13.09	1,017.79	117,999.54
Borrowings (other than debt securities)	81,549.40	30,207.28	(110.49)	(28.72)	111,617.47
Deposits	44,665.56	14,759.93	-	725.43	60,150.92
Subordinated liabilities	3,630.29	(49.99)	-	(2.40)	3,577.90
Lease liability	587.37	(174.00)		587.79	1,001.16
Total	217,277.86	74,866.64	(97.40)	2,299.89	294,346.99

**22. Capital management****Dividends distributed and proposed (Holding Company)**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>Dividends recognised in the financial statements</b>		
Final dividend for the year ended 31 March 2024 of ₹ 1 (31 March 2023 - ₹ 0.80) per equity share	159.55	127.43
<b>Dividends not recognised at the end of the reporting period</b>		
Directors have recommended the payment of a final dividend of ₹ 1 per equity share for the year ended 31 March 2025 (31 March 2024 - ₹ 1). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting	159.67	159.55

**23. Other notes**

- The Group has not traded or invested in crypto currency or virtual currency during the financial year.
- The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property.
- Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 47 Revenue from contracts with customers (BFL)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>Type of services</b>		
Service and administration charges	2,134.84	1,772.75
Fees on value added services and products	882.04	653.24
Foreclosure charges	510.57	439.59
Distribution income	2,333.06	2,299.12
Brokerage income	122.33	102.47
Marketing, branding and allied services	490.97	118.80
Total	6,473.81	5,385.97
<b>Geographical markets</b>		
India	6,473.81	5,385.97
Outside India	-	-
Total	6,473.81	5,385.97
<b>Timing of revenue recognition</b>		
Services transferred at a point in time	6,449.19	5,367.47
Services transferred over time	24.62	18.50
Total	6,473.81	5,385.97

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Contract balances</b>		
Fees, commission and other receivable	466.86	452.40
Total	466.86	452.40

- Impairment allowance recognised on contract balances is ₹ 1.88 crore (Previous year ₹ 1.97 crore)

- Contract asset as on 31 March 2025 is ₹ Nil (Previous year ₹ Nil)

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**48 Employee stock option plan****(i) Bajaj Finance Ltd.**

The Board of Directors at its meeting held on 14 October 2009, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the BFL aggregating to 1,829,803 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders under section 81(1A) of the Companies Act, 1956. The shareholders of the BFL vide their special resolution passed through postal ballot on 15 December 2009 approved the issue of equity shares of the BFL under one or more Employee Stock Option Scheme(s). The shareholders, at the annual general meeting held on 16 July 2014, approved an additional issue of 677,313 stock options i.e. from 1,829,803 to 2,507,116 options of the face value of ₹ 10 each under the stock options scheme of BFL i.e. Employee Stock Option Plan 2009.

Pursuant to the sub-division of each equity share of face value of ₹ 10 into five equity shares of face value of ₹ 2 on 10 September 2016 and allotment of bonus equity share in the proportion of one equity share of face value of ₹ 2 for every one equity share on 14 September 2016, the aggregate number of equity shares which would be available for future grants under the Employee Stock Option Plan, 2009 were adjusted from 2,507,116 equity shares of face value of ₹ 10 to 25,071,160 equity shares of face value of ₹ 2 each.

Further, vide the Special Resolution passed by the members of the BFL through postal ballot on 19 April 2021, the aforesaid limit of options was enhanced by 10,000,000 options. The maximum limit under the scheme now stand revised from 25,071,160 options to 35,071,160 options.

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

The Nomination and Remuneration Committee of the BFL has approved the following grants to select senior level executives of the BFL in accordance with the Stock Option Scheme. Details of grants given up to the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under :

**As on 31 March 2025**

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
01-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	-	-	1,565,500	369,500	-	-
24-May-16	765.37	1,430,000	24,250	-	1,180,375	225,375	-	24,250
17-May-17	1,347.75	1,120,750	47,435	-	929,328	141,363	2,624	47,435
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
01-Feb-18	1,677.85	120,000	1,000	-	70,036	48,964	-	1,000
17-May-18	1,919.95	1,273,416	140,590	-	925,701	206,214	911	140,590
16-May-19	3,002.75	1,123,900	399,218	-	638,589	86,093	-	399,218
19-May-20	1,938.60	2,054,250	699,865	-	1,173,040	181,345	-	699,865
27-Apr-21	4,736.55	936,643	360,207	205,842	301,773	68,821	-	566,049
26-Apr-22	7,005.50	1,003,756	382,453	473,729	65,406	82,168	-	856,182
25-Jul-22	6,258.25	19,349	-	3,772	15,577	-	-	3,772
26-Apr-23	6,075.25	1,563,397	286,524	1,086,111	99,561	91,201	-	1,372,635
25-Apr-24	7,329.15	1,536,609	-	1,494,617	-	41,992	-	1,494,617
12-Sep-24	7,345.55	3,890	-	3,890	-	-	-	3,890
<b>Total</b>		<b>33,044,110</b>	<b>2,341,542</b>	<b>3,267,961</b>	<b>23,183,416</b>	<b>4,247,656</b>	<b>3,535</b>	<b>5,609,503</b>

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 48 Employee stock option plan (Contd.)

#### (i) Bajaj Finance Ltd. (Contd.)

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options expired	Options outstanding
12-Jan-10	35.87	1,320,000	-	-	1,282,500	37,500	-	-
21-Jul-10	54.20	3,267,500	-	-	2,948,130	319,370	-	-
28-Jul-11	70.52	3,762,000	-	-	3,335,000	427,000	-	-
16-May-12	87.61	3,595,000	-	-	3,015,750	579,250	-	-
15-May-13	138.04	3,949,300	-	-	3,096,300	853,000	-	-
01-Nov-13	135.31	197,000	-	-	49,250	147,750	-	-
16-Jul-14	219.66	2,816,000	-	-	2,475,250	340,750	-	-
20-May-15	448.16	1,935,000	25,750	-	1,539,750	369,500	-	25,750
24-May-16	765.37	1,430,000	59,375	-	1,145,250	225,375	-	59,375
17-May-17	1,347.75	1,120,750	135,999	-	842,077	141,363	1,311	135,999
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-	-
01-Feb-18	1,677.85	120,000	8,888	-	62,148	48,964	-	8,888
17-May-18	1,919.95	1,273,416	296,430	-	770,772	206,214	-	296,430
16-May-19	3,002.75	1,123,900	512,160	-	525,647	86,093	-	512,160
19-May-20	1,938.60	2,054,250	762,611	441,791	668,503	181,345	-	1,204,402
27-Apr-21	4,736.55	936,643	306,997	426,758	141,013	61,875	-	733,755
26-Apr-22	7,005.50	1,003,756	212,901	737,028	14,912	38,915	-	949,929
25-Jul-22	6,258.25	19,349	13,691	5,658	-	-	-	19,349
26-Apr-23	6,075.25	1,563,397	-	1,543,752	591	19,054	-	1,543,752
<b>Total</b>		<b>31,503,611</b>	<b>2,334,802</b>	<b>3,154,987</b>	<b>21,929,193</b>	<b>4,083,318</b>	<b>1,311</b>	<b>5,489,789</b>

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

Particulars	FY 2024-25		FY 2023-24
Grant date	25 April 2024	12 September 2024	26 April 2023
Number of options granted	1,536,609	3,890	1,563,397
Weighted average fair value (₹)	3,120.47	3,025.59	2,756.16

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

As on 31 March 2025

Total for all grants	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Outstanding at the beginning of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Granted during the year	1,540,499	7,329.15-7,345.55	7,329.19	
Cancelled during the year	164,338	4,736.55-7,329.15	6,583.90	
Lapsed during the year	2,224	1,347.75-1,919.95	1,582.14	
Exercised during the year	1,254,223	448.16-7,005.50	2,868.61	
Outstanding at the end of the year	5,609,503	765.37-7,345.55	5,514.62	4.82
Exercisable at the end of the year	2,341,542	765.37-7,005.50	3,858.88	2.91



## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**48 Employee stock option plan** (Contd.)**(i) Bajaj Finance Ltd.** (Contd.)**As on 31 March 2024**

<b>Total for all grants</b>	<b>No. of options</b>	<b>Range of exercise prices (₹)</b>	<b>Weighted average exercise price (₹)</b>	<b>Weighted average remaining contractual life (years)</b>
Outstanding at the beginning of the year	5,481,470	219.66-7,005.50	3,259.66	4.42
Granted during the year	1,563,397	6,075.25	6,075.25	
Cancelled during the year	71,147	1,938.60-7,005.50	5,133.47	
Lapsed during the year	1,311	1,347.75	1,347.75	
Exercised during the year	1,482,620	219.66-7,005.50	1,802.04	
Outstanding at the end of the year	5,489,789	448.16-7,005.50	4,431.32	4.80
Exercisable at the end of the year	2,334,802	448.16-7,005.50	2,943.24	2.98

The weighted average market price of equity shares for options exercised during the year is ₹ 7,542.71 (Previous year ₹ 6,920.42 ).

**Method used for accounting for share based payment plan**

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

<b>Grant date</b>	<b>Risk free interest rate</b>	<b>Expected life</b>	<b>Expected volatility</b>	<b>Dividend yield</b>	<b>Price of the underlying share in the market at the time of the option grant (₹)*</b>	<b>Options granted</b>	<b>Vesting period</b>
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	4,736.55	936,643	4 years on SLM basis
26-Apr-22	6.52%	3.5 - 6.5 years	42.12%	0.29%	7,005.50	946,983	4 years on SLM basis
26-Apr-22	6.95%	7.5 years	39.54%	0.29%	7,005.50	56,773	5 year bullet
25-Jul-22	7.09%	3.5 - 6.5 years	42.20%	0.32%	6,258.25	7,544	4 years on SLM basis
25-Jul-22	6.91%	3.5 years	44.71%	0.32%	6,258.25	8,202	1 year bullet
25-Jul-22	6.99%	4 years	44.15%	0.32%	6,258.25	3,603	18 month bullet
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1,563,397	4 years on SLM basis
25-Apr-24	7.10%	5 years	36.87%	0.41%	7,329.15	1,536,609	4 years on SLM basis
12-Sep-24	6.68%	5 years	36.29%	0.49%	7,345.55	3,890	4 years on SLM basis

\*adjusted for sub-division of shares and issue of bonus shares thereon

For the year ended 31 March 2025, BFL has accounted expense of ₹ 377.01 crore as employee benefit expenses on the aforesaid employee stock option plan (Previous year ₹ 268.23 crore). The balance in employee stock option outstanding account is ₹ 934.86 crore as of 31 March 2025 (Previous year ₹ 711.50 crore).

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 48 Employee stock option plan (Contd.)

#### (ii) Bajaj Housing Finance Ltd.

The Board of Directors at its meeting held on 24 April 2024, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of BHFL aggregating to 390,978,763 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders as per the Companies Act. The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with BHFL or the Group except in case of death or permanent incapacity of an option grantee where the minimum vesting period of 1 (one) year from the date of grant shall not apply and settled by issue of shares at exercise price.

The Nomination and Remuneration Committee of BHFL has approved the following grants to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour in accordance with the Stock Option Scheme. Details of grants given up to the reporting date under the scheme are given as under:

#### As on 31 March 2025

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

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

Particulars	FY 2024-25	
	24 April 2024	4 January 2025
Grant date	24 April 2024	4 January 2025
Number of options granted	16,751,673	486,445
Weighted average fair value (₹)	24.54	51.43

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

#### As on 31 March 2025

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

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

**48 Employee stock option plan** (Contd.)**(ii) Bajaj Housing Finance Ltd. (Contd.)****Method used for accounting for share based payment plan:**

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

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

**Determination of expected volatility**

Expected volatility has been calculated based on the daily closing market price of the comparable entities.

For the year ended 31 March 2025, BHFL has accounted expense of ₹ 16.97 crore as employee benefit expenses on the aforesaid employee stock option plan (Previous year ₹ Nil). The balance in employee stock option outstanding account is ₹ 16.97 crore as of 31 March 2025 (Previous year ₹ Nil).

(iii) For ESOP's other than BFL refer Note 38 to standalone financial statements.

**49 Disclosure in terms of Schedule III of the Companies Act, 2013**

(₹ In Crore)

	Net assets (i.e. total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated total comprehensive income	Amount
<b>1 Parent</b>								
Bajaj Finserv Ltd.	11.56%	8,371.89	17.57%	1,558.87	(0.25%)	(2.76)	15.63%	1,556.11
<b>2 Subsidiaries (Indian)</b>								
Bajaj Allianz General Insurance Company Ltd.	17.64%	12,773.66	17.48%	1,550.49	52.76%	571.46	21.32%	2,121.95
Bajaj Allianz Life Insurance Company Ltd.	17.66%	12,781.88	2.16%	191.95	90.21%	976.99	11.74%	1,168.94
Bajaj Finance Ltd. (Consolidated)	133.86%	96,906.72	189.12%	16,779.48	(11.58%)	(125.44)	167.30%	16,654.78
Bajaj Finserv Direct Ltd.	0.66%	478.45	(0.55%)	(48.82)	(0.09%)	(0.87)	(0.50%)	(49.69)
Bajaj Finserv Health Ltd. (Consolidated)	0.57%	412.06	(1.89%)	(167.62)	0.07%	0.71	(1.68%)	(166.91)
Bajaj Finserv Ventures Ltd.	0.33%	235.82	0.02%	193	0.44%	4.79	0.07%	6.72
Bajaj Finserv Mutual Fund Trustee Ltd.	0.00%	0.38	0.00%	0.05	-	-	0.00%	0.05
Bajaj Finserv Asset Management Ltd.	0.10%	72.52	(2.47%)	(219.42)	(0.03%)	(0.33)	(2.21%)	(219.75)
(Less) : Minority interests in all subsidiaries	(77.41%)	(56,038.92)	(97.89%)	(8,685.33)	(31.53%)	(341.46)	(90.68%)	(9,027.53)
(Less) : Inter-company eliminations	(4.99%)	(3,611.47)	(23.55%)	(2,089.45)	-	-	(20.99%)	(2,089.45)
<b>3 Joint ventures (as per equity method) (Indian)</b>								
Bajaj Allianz Financial Distributors Ltd.	0.02%	12.32	0.00%	0.18	-	-	0.00%	0.18
(Less) : Inter-company eliminations	-	-	-	-	-	-	-	-
<b>Total</b>	100.00%	72,395.31	100.00%	8,872.31	100%	1,083.09	100.00%	9,955.40

## Notes to consolidated financial statements for the year ended 31 March 2025 (Contd.)

### 50 Events after reporting date

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

### 51 Miscellaneous

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ramandeep Singh Sahni  
Chief Financial Officer

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025

## Salient features of the financial statements of subsidiaries for the year ended 31 March 2025

Form AOC-1 :

In accordance with section 129(3) of the Companies Act, 2013, the salient features of the financial statements of subsidiaries is given below

## Part A : Subsidiaries

Particulars	Bajaj Allianz General Insurance Co. Ltd.	Bajaj Allianz Life Insurance Co. Ltd.	Bajaj Finance Ltd.	Bajaj Housing Finance Ltd.	Bajaj Financial Securities Ltd.	Bajaj Finserv Direct Ltd.	Bajaj Finserv Health Ltd.	Healthcare Services Pvt. Ltd.	Vidal Healthcare Insurance TPA Pvt. Ltd.	VH Medicare Pvt. Ltd.	Bajaj Finserv Ventures Ltd.	Bajaj Finserv Mutual Fund Trustee Ltd.	Bajaj Finserv Asset Management Ltd.
	20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)	20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)	20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)	1 November 2014	1 November 2014	7 February 2014	5 July 2019	26 April 2024	26 April 2024	26 April 2024	27 September 2021	11 October 2021	18 October 2021
a The date since when subsidiary was acquired	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025	1 April 2024 to 31 March 2025
b Reporting period for the subsidiary	110.23	150.71	124.17	8,328.15	967.76	327.41	2.50	2.00	11.59	3.50	227.50	0.35	350.00
c Paid-up share capital	12,663.43	12,631.17	87,871.55	11,618.65	321.17	151.04	440.76	74.63	19.87	(18.39)	8.32	0.03	(277.48)
d Reserves and surplus	55,620.18	132,772.90	367,869.57	102,808.75	6,544.21	626.81	775.23	158.60	200.09	9.64	248.54	0.40	215.02
e Total assets	55,620.18	132,772.90	367,869.57	102,808.75	6,544.21	626.81	775.23	158.60	200.09	9.64	248.54	0.40	215.02
f Total liabilities	33,093.41	127,225.26	41,716.23	2,533.32	356.50	306.53	261.68	40.16	-	-	64.72	0.33	81.46
g Investments	32,034.20	32,138.94	59,419.84	9,575.96	800.27	598.43	675.64	40.57	189.83	2.87	198.66	0.35	39.77
h Turnover	2,068.98	87.75	21,676.09	2,770.23	183.23	(48.82)	(138.28)	0.72	(34.70)	(9.32)	2.47	0.06	(219.42)
i Profit before tax	518.49	(104.20)	5,014.59	607.33	44.57	-	-	0.64	(14.25)	(1.87)	0.54	0.01	-
j Provision for tax	1,550.49	191.95	16,661.50	2,162.90	138.66	(48.82)	(138.28)	0.08	(20.45)	(7.45)	1.93	0.05	(219.42)
k Profit after tax	0%	0%	2800%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
l Proposed dividend **	74.00%	74.00%	51.39%	88.75%*	100.00%*	80.10%*	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
m % of shareholding	74.00%	74.00%	51.39%	88.75%*	100.00%*	80.10%*	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

\* Held by Bajaj Finance Ltd.

# The remaining 19.90% shareholding is held by Bajaj Finance Ltd.

\*\* Includes interim dividend paid

## Name of subsidiary sold during the year :

Nil

## Salient features of the financial statements of subsidiaries for the year ended 31 March 2025 (Contd.)

### Part B: Joint venture

₹ In Crore

Particulars	Bajaj Allianz Financial Distributors Ltd.	Bajaj Allianz Staffing Solutions Ltd.
a Date on which the associate or joint venture was associated or acquired	20 February 2008 (being the effective date of demerger of erstwhile Bajaj Auto Ltd.)	16 March 2015
b Latest audited Balance Sheet date	31 March 2025	31 March 2025
c Shares of joint venture held by the company on the year end		
Number	1,200,000	950,000
Amount of investment in joint venture	1.20	0.95
Extent of holding %	50.00%	100.00%*
d Description of how there is significant influence	By way of shareholding	By way of shareholding
e Reason why associate/joint venture is not consolidated	N.A.	N.A.
f Networth attributable to shareholding as per latest audited balance sheet	12.16	1.84
g Profit/(loss) for the year		
Considered in consolidation	0.04	0.14
Not considered in consolidation	-	-

\* Held by Bajaj Allianz Financial Distributors Ltd.

On behalf of the Board of Directors

Ramandeep Singh Sahni  
Chief Financial Officer

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025



# **STANDALONE FINANCIAL STATEMENTS**

## Independent Auditors' Report on the Standalone Financial Statements

To The Members of **Bajaj Finserv Ltd.**

### Opinion

1. We have audited the accompanying standalone financial statements of Bajaj Finserv Ltd. ('the Company'), which comprise the standalone Balance Sheet as at 31 March 2025, and the standalone Statement of Profit and Loss (including Other Comprehensive Income), standalone Statement of Changes in Equity and standalone Statement of Cash Flows for the year ended on that date, and notes to the standalone financial statements, including a summary of material accounting policy information and other explanatory information ('the standalone financial statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

### Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, we have determined that there is no key audit matter to be communicated in our report.

### Other information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.
6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.
8. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

## Independent Auditors' Report on the Standalone Financial Statements (Contd.)

### Responsibilities of management and those charged with governance for the standalone financial statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit and other comprehensive income, changes in equity and cash flows of the Company in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
10. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
11. The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditors' responsibilities for the audit of the standalone financial statements

12. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - 13.1 Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - 13.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
  - 13.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
  - 13.4 Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

## Independent Auditors' Report on the Standalone Financial Statements (Contd.)

- 13.5 Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on other legal and regulatory requirements

17. As required by the Companies (Auditors' Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
18. As required by section 143(3) of the Act, we report that:
  - 18.1 We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - 18.2 In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - 18.3 The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - 18.4 In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with the relevant rules thereunder.
  - 18.5 On the basis of the written representations received from the directors, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025 from being appointed as a director in terms of section 164(2) of the Act.
  - 18.6 With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
  - 18.7 In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.
19. With respect to the other matters to be included in the Auditors' Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
  - 19.1 The Company has disclosed the impact of pending litigations as at 31 March 2025 on its financial position in its standalone financial statements – Refer note 27 to the standalone financial statements.



**Independent Auditors' Report on the Standalone Financial Statements (Contd.)**

- 19.2 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 19.3 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 19.4 The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 39(b) to the standalone financial statements.
- 19.5 The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries. Refer note 39(c) to the standalone financial statements.
- 19.6 Based on such audit procedures, that have been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 19.4 and 19.5 contain any material misstatement.
- 19.7 In our opinion and according to the information and explanations given to us and as stated in note 36(c) to the standalone financial statements, the dividend declared and paid during the year by the Company is in compliance with section 123 of the Act.
- 19.8 Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- Additionally, the audit trail has been preserved by the Company as per the statutory requirements for record retention.

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000  
UDIN: 25044000BMOXIG9966

Pune : 29 April 2025

## Annexure A to the Independent Auditors' Report

### Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of Bajaj Finserv Ltd. for the year ended 31 March 2025

(Referred to in paragraph 17 under 'Report on other legal and regulatory requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of property, plant and equipment ('PPE').  
The Company does not own any intangible assets and hence, paragraph 3(i)(a)(B) is not applicable to the Company.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified on annual basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including right-of-use assets) during the year. The Company does not have any intangible assets.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company's business does not involve inventories, hence physical verification of inventory and reporting under paragraph 3(ii)(a) of the Order is not applicable.
- (b) In our opinion and according to the information and explanations given to us, the Company has not been sanctioned any working capital limits at any point of time during the year, from banks or financial institutions. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to it.
- iii. (a) In our opinion and according to the information and explanations given to us, during the year the Company has not provided any guarantee or security. During the year, the Company has granted loan to its subsidiaries which are probable to be settled for a fixed number of equity shares for a fixed price and are classified as equity investments. Accordingly, paragraph 3(iii)(a) of the Order is not applicable to that extent.
- (b) In our opinion, and based on the information and explanations provided to us, the investments made by the Company are, prima facie, not prejudicial to the interests of the Company. Further, the Company has neither provided any guarantees or securities, nor has it granted any loans or advances in the nature of loans. Consequently, the reporting requirements in respect of the terms and conditions of such loans and advances, as specified under paragraph 3(iii)(b) of the Order, are not applicable to that extent.
- (c) In our opinion and according to the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans. Accordingly, paragraphs 3(iii)(c) of the Order are not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans. Accordingly, paragraph 3(iii)(d) of the Order is not applicable to the Company.



**Annexure A to the Independent Auditors' Report** (Contd.)

- (e) In our opinion and according to the information and explanations given to us, the Company has not provided loans or provided advances in the nature of loans. Accordingly, paragraph 3(iii)(e) of the Order is not applicable to the Company.
- (f) The Company has not granted any loans or advances in the nature of loans to promoter/related parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, paragraph 3(iii)(f) is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or given any guarantee or provided any securities as covered under the provisions of section 185 of the Act. In respect of the investments made by the Company, the provisions of section 186 of the Act have been complied with.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under sub-section (1) section 148 of the Act, related to generation of power through wind turbines, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however made a detailed examination of the same.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues have been regularly deposited by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess and other material statutory dues were in arrears as at 31 March 2025 for a period of more than six months from the date they became payable.

- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.

<b>Name of the statute</b>	<b>Nature of the dues</b>	<b>Amount (₹ In Crore)</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	1.21	FY 2010-11	Commissioner Appeals
Income Tax Act, 1961	Income Tax	5.10	FY 2012-13, FY 2015-16 and FY 2016-17	Commissioner of Income Tax (Appeals)
GST Act, 2017	GST	0.70	FY 2017-18 and FY 2018-19	Jurisdictional Officer
Finance Act, 1994	Service Tax	1.01	01 March 2011 to 31 March 2015	Joint Commissioner

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

## Annexure A to the Independent Auditors' Report (Contd.)

- ix. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any financial institutions, banks, government and dues to debenture holders or in payment of interest thereon to any lender during the year. Hence, reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) The Company has not taken any term loan during the year and there are no outstanding term loans at the beginning of the year and hence, reporting under clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) The Company has not raised any loans on short term basis and hence, reporting under clause 3(ix)(d) of the Order is not applicable to the Company.
- (e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us, the Company has not raised any loans during the year and hence, reporting under clause 3(ix)(f) of the Order is not applicable to the Company.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/fully/partly/optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the Management, there are no whistleblower complaints received by the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

**Annexure A to the Independent Auditors' Report (Contd.)**

- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable to the Company.
- (b) The Company has not conducted any non-banking financial or housing finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is an unregistered core investment company ('CIC') as defined in the regulations made by Reserve Bank of India. The Company is not required to obtain registration with Reserve Bank of India and continues to fulfil the criteria of a CIC.
- (d) According to the information and explanation given to us, in the group (in accordance with Core Investment Companies (CICs) (Reserve Bank) Directions, 2016) there are 18 companies forming part of the promoter/promoter group of the Company which are CICs. Further, as informed these CICs are unregistered CICs as per Para 9.1 of notification No. RBI/2020-21/24 dated 13 August 2020 of the Reserve Bank of India.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable/paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section 5 of section 135 of the Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub-section 5 of section 135 of the Act pursuant to any ongoing CSR project.
- xxi. Reporting under clause 3(xxi) of the Order is not applicable at the standalone level of reporting.

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000  
UDIN: 25044000BMOXIG9966

Pune : 29 April 2025

## Annexure B to the Independent Auditors' Report

### Annexure B to the Independent Auditors' Report on the Standalone Financial Statements of Bajaj Finserv Ltd. for the year ended 31 March 2025

(Referred to in paragraph '18.6' under 'Report on other legal and regulatory requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act').

#### Opinion

1. We have audited the internal financial controls with reference to the standalone financial statements of Bajaj Finserv Ltd. ('the Company') as at 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

#### Management's responsibility for internal financial controls

3. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SAs'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

**Annexure B to the Independent Auditors' Report** (Contd.)**Meaning of internal financial controls with reference to the standalone financial statements**

7. A company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the standalone financial statements include those policies and procedures that
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
  - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
  - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

**Inherent limitations of internal financial controls with reference to the standalone financial statements**

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

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000  
UDIN: 25044000BMOXIG9966

Pune : 29 April 2025

## Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2025	2024
<b>ASSETS</b>			
<b>Financial assets</b>			
Cash and cash equivalents	3	18.04	20.97
Bank balances other than cash and cash equivalents	4	0.88	0.56
Trade receivables	5	1.17	0.79
Investment in subsidiaries and joint venture	6A	5,743.89	4,171.55
Other investments	6B	2,140.23	2,229.59
Other financial assets	7	60.44	50.63
		<b>7,964.65</b>	<b>6,474.09</b>
<b>Non-financial assets</b>			
Current tax assets (net)		51.84	51.72
Investment property	8	4.85	4.98
Property, plant and equipment	9A	121.90	108.05
Capital work-in-progress	9B	4.58	4.47
Other non-financial assets	10	377.00	7.22
		<b>560.17</b>	<b>176.44</b>
<b>Total</b>		<b>8,524.82</b>	<b>6,650.53</b>



## Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2025	2024
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
<b>Financial liabilities</b>			
Trade payables	11		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		8.50	2.78
Other financial liabilities	12	63.43	50.04
		<b>71.93</b>	<b>52.82</b>
<b>Non-financial liabilities</b>			
Current tax liabilities (net)		63.96	17.41
Deferred tax liabilities (net)	13	2.06	3.95
Provisions	14	13.34	6.68
Other non-financial liabilities	15	1.64	0.70
		<b>81.00</b>	<b>28.74</b>
<b>EQUITY</b>			
Equity share capital	16	159.60	159.41
Other equity	17	8,212.29	6,409.56
		<b>8,371.89</b>	<b>6,568.97</b>
<b>Total</b>		<b>8,524.82</b>	<b>6,650.53</b>

Summary of material accounting policies followed by the Company

2

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ramandeep Singh Sahni  
Chief Financial Officer

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025

## Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
<b>Revenue from operations</b>			
Interest income	18	226.02	155.85
Dividend income		2,001.58	1,508.26
Rental income		2.22	2.10
Windpower income	19	22.28	24.08
Net gain on fair value changes	20	9.58	9.00
<b>Total revenue from operations</b>		<b>2,261.68</b>	<b>1,699.29</b>
Other income	21	37.51	34.62
<b>Total income</b>		<b>2,299.19</b>	<b>1,733.91</b>
<b>Expenses</b>			
Employee benefits expenses	22	158.08	126.83
Depreciation, amortisation and impairment	23	4.26	3.48
Other expenses	24	87.45	66.68
<b>Total expenses</b>		<b>249.79</b>	<b>196.99</b>
<b>Profit before tax</b>		<b>2,049.40</b>	<b>1,536.92</b>
Tax expense			
Current tax		491.49	366.61
Deferred tax		(0.96)	0.25
Total tax expense	25	490.53	366.86
<b>Profit for the year</b>		<b>1,558.87</b>	<b>1,170.06</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) of defined benefit plans		(3.69)	(3.38)
Tax impacts on above		0.93	0.85
Items that will be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year (net of tax)</b>		<b>(2.76)</b>	<b>(2.53)</b>
<b>Total comprehensive income for the year</b>		<b>1,556.11</b>	<b>1,167.53</b>
Basic Earnings per share (in ₹)	26	9.8	7.3
Diluted Earnings per share (in ₹)	26	9.7	7.3
(Nominal value per share ₹ 1)			

Summary of material accounting policies followed by the Company 2

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ramandeep Singh Sahni  
Chief Financial Officer

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025

## Statement of Changes in Equity

### A Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
At the beginning of the year		159.41	159.26
Changes in equity share capital during the year		0.19	0.15
<b>At the end of the year</b>	16	<b>159.60</b>	<b>159.41</b>

### B Other equity

(₹ In Crore)

Particulars	Note No.	Reserves and surplus					Total other equity
		Securities premium	General reserve	Share based payments reserve	Treasury shares	Retained earnings	
<b>Balance as at 31 March 2023</b>	17	959.59	1,213.79	313.57	(117.48)	2,719.34	5,088.81
Profit for the year		-	-	-	-	1,170.06	1,170.06
Other comprehensive income (net of tax)		-	-	-	-	(2.53)	(2.53)
<b>Total comprehensive income for the year ended 31 March 2024</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,167.53</b>	<b>1,167.53</b>
Recognition of share based payments to employees of the Company		-	-	17.46	-	-	17.46
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		232.75	-	-	-	-	232.75
Exercise of options by employees pursuant to ESOP scheme		37.12	-	(37.12)	-	-	-
Transfer on cancellation of stock options		-	5.79	(5.79)	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	(127.43)	(127.43)
Realisation from treasury shares held by ESOP trust		-	-	-	13.17	-	13.17
Recognition of share based payments to employees of subsidiaries		-	-	148.25	-	-	148.25
		<b>1,229.46</b>	<b>1,219.58</b>	<b>436.37</b>	<b>(104.31)</b>	<b>3,759.44</b>	<b>6,540.54</b>
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		8.91	-	-	-	-	8.91
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		139.89	-	-	-	-	139.89
<b>Balance as at 31 March 2024</b>	17	<b>1,098.48</b>	<b>1,219.58</b>	<b>436.37</b>	<b>(104.31)</b>	<b>3,759.44</b>	<b>6,409.56</b>
Profit for the year		-	-	-	-	1,558.87	1,558.87
Other comprehensive income (net of tax)		-	-	-	-	(2.76)	(2.76)
<b>Total comprehensive income for the year ended 31 March 2025</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,556.11</b>	<b>1,556.11</b>
Recognition of share based payments to employees of the Company		-	-	20.20	-	-	20.20
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		104.91	-	-	-	-	104.91
Exercise of options by employees pursuant to ESOP scheme		62.04	-	(62.04)	-	-	-
Transfer on cancellation of stock options		-	14.39	(14.39)	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	(159.67)	(159.67)
Realisation from treasury shares held by ESOP trust		-	-	-	40.40	-	40.40
Recognition of share based payments to employees of subsidiaries		-	-	190.58	-	-	190.58
		<b>1,265.43</b>	<b>1,233.97</b>	<b>570.72</b>	<b>(63.91)</b>	<b>5,155.88</b>	<b>8,162.09</b>
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		139.89	-	-	-	-	139.89
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		89.69	-	-	-	-	89.69
<b>Balance as at 31 March 2025</b>	17	<b>1,315.63</b>	<b>1,233.97</b>	<b>570.72</b>	<b>(63.91)</b>	<b>5,155.88</b>	<b>8,212.29</b>

Summary of material accounting policies followed by the Company 2

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

As per our report of even date

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000

Pune: 29 April 2025

Ramandeep Singh Sahni  
Chief Financial Officer

Uma Shende  
Company Secretary

On behalf of the Board of Directors

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

## Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>I. Operating activities</b>		
Profit before tax	2,049.40	1,536.92
Adjustments to reconcile profit before tax to net cash flows		
Add		
i) Depreciation, amortisation and impairment	4.26	3.48
ii) Share based payment to employees	20.20	17.46
iii) Loss on sale of property, plant and equipment	0.60	-
	25.06	20.94
Less		
i) Profit on sale of investments, net	9.58	9.00
ii) Surplus on sale of property, plant and equipment	-	0.13
iii) Amortisation of premium/discount on acquisition of debt securities	101.46	38.77
	111.04	47.90
	1,963.42	1,509.96
Change in assets and liabilities		
i) (Increase)/decrease in trade receivables	(0.38)	0.03
ii) (Increase)/decrease in loans and other assets	(10.69)	4.80
iii) (Increase)/decrease in other bank balances	(0.32)	(0.09)
iv) Increase/(decrease) in liabilities and provisions	22.70	8.80
	11.31	13.54
Reimbursement of share based payments	190.58	148.25
(Purchase)/sale of money market mutual funds, etc., net*	3.56	41.13
Net cash from operating activities before income-tax	2,168.87	1,712.88
Income-tax paid	(445.07)	(369.36)
<b>Net cash flow from operating activities</b>	<b>1,723.80</b>	<b>1,343.52</b>

## Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>II. Investing activities</b>		
i) Purchase of property, plant and equipment including capital advances	(387.68)	(2.84)
ii) Sale proceeds of property, plant and equipment	0.09	1.36
iii) Investment in subsidiaries	(1,572.34)	(802.46)
iv) Sale of investments*	4,390.02	2,670.31
v) Purchase of investments*	(4,193.17)	(3,183.91)
vi) (Investment in)/realisation from treasury shares by ESOP trust	40.40	13.17
<b>Net cash used in investing activities</b>	<b>(1,722.68)</b>	<b>(1,304.37)</b>
<b>III. Financing activities</b>		
i) Dividend paid	(159.35)	(127.34)
ii) Issue of equity share capital (including securities premium)	155.30	101.92
<b>Net cash used in financing activities</b>	<b>(4.05)</b>	<b>(25.42)</b>
<b>Net change in cash and cash equivalents</b>	<b>(2.93)</b>	<b>13.73</b>
Cash and cash equivalents as at the beginning of the year	20.97	7.24
Cash and cash equivalents as at the end of the year [See note 3]	18.04	20.97

\* As the Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investments has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities.

Summary of material accounting policies followed by the Company 2

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
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Partner  
ICAI Membership Number: 044000

Uma Shende  
Company Secretary

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Pune: 29 April 2025

## Notes to standalone financial statements for the year ended 31 March 2025

- 1** Bajaj Finserv Ltd. (the 'Company' or 'BFS') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is primarily engaged in the business of promoting financial services such as finance, insurance, broking, investments, etc. including distribution using digital platforms through its investments in subsidiaries, joint ventures and associates. The Company is also engaged in the business of generating power through wind turbines, a renewable source of energy. The Company's registered office is at Bajaj Auto Ltd. Complex, Mumbai-Pune road, Pune, Maharashtra, India. Its shares are listed on two recognised stock exchanges in India.

Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered core investment company (CIC) as per Reserve Bank of India guidelines dated 25 August 2016 (last updated on 29 December 2022). As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity investments.

Financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 29 April 2025, Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its annual general meeting.

### 2A Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act, the RBI guidelines/regulations to the extent applicable and on an accrual basis (other than Statement of Cash Flows).

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

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency and all values are rounded off to the nearest crore (INR 0,000,000) with two decimals as permitted by Schedule III to the Act, except when otherwise indicated.

### 2B Presentation of financial statements

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

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



## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**2C Summary of material accounting policies****1. Use of estimates**

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. Accounting estimates and judgments are used in various line items in the financial statements, including:

- Business model assessment
- Fair value of financial instruments
- Impairment of financial and non-financial assets
- Provisions for tax expense
- Fair value of employee stock options
- Post employment benefits

**2. Revenue recognition****Income**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

**A. Interest income**

Interest income from debt instruments is recognised using the effective interest rate (EIR) method on financial assets subsequently measured under amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by considering any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest and it is recognised in the Statement of Profit and Loss.

**B. Dividends**

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the income is established.

**C. Windpower income**

Income from windpower generation is recognised on acceptance of units generated by customer and after giving allowance for wheeling and transmission losses over time, if any. Simultaneously, relevant entitlements for generating green energy are recognised to the extent the ultimate collection is reasonably certain.

**D. Rent and other income**

Rental income is accounted on a straight-line basis over the lease term of operating leases. Other income, including income tax refunds and miscellaneous income, is recognised when the right to receive the amount is established, and in accordance with the agreed terms of contracts, if applicable.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 2C Summary of material accounting policies (Contd.)

#### 3. Property, plant and equipment and depreciation

##### A. Property, plant and equipment (PPE)

As per Ind AS 101, the Company had elected to continue with carrying value of all PPE as the deemed cost of PPE i.e. historical cost. PPE are stated at acquisition or construction cost less accumulated depreciation and impairment losses, if any. Land is carried at cost of acquisition. PPE not ready for the intended use on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

##### B. Depreciation

Depreciation on PPE is provided on straight-line method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over the period of lease term.

##### C. Impairment of non-financial assets

An assessment is done at each Balance Sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/Cash Generating Unit (CGU) is made. Where the carrying value of the asset/CGU exceeds the recoverable amount, the carrying value is written down to the recoverable amount.

#### 4. Investments and financial assets

##### A. Investment in subsidiaries and joint venture

Interest in subsidiaries and joint venture are recognised at cost and not adjusted to fair value at the end of each reporting period as permitted by Ind AS 27. Cost represents amount paid for acquisition of the said investments. Loans and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity shares of the borrower for a fixed price are classified as equity investments.

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

##### B. Other investments and financial assets

###### i. Recognition and initial measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value. Further, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, that are attributable to the acquisition of the financial asset, are added to the fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

###### ii. Subsequent measurement

Subsequent measurement of financial assets depend on the Company's business model for managing the financial assets and the cash flow characteristics of the financial assets.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at amortised cost, and
- those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI), or through profit or loss (FVTPL))

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**2C Summary of material accounting policies** (Contd.)

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

For assets classified as 'measured at fair value', gain/(loss) will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortised cost', this will depend on the business model and contractual terms of the cash flows.

**iii. Business model assessment**

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment.

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

**iv. The SPPI test (Solely payments of principal and interest)**

As a second step of its classification process, the Company assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

**v. Subsequently measured at amortised cost**

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. debentures, bonds, certificate of deposits etc. A gain/(loss) on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

**vi. Subsequently measured at FVTPL**

Financial assets that do not meet the criteria for amortised cost, are measured at FVTPL e.g. investments in mutual funds. A gain/(loss) on a financial asset that is subsequently measured at FVTPL is recognised in profit or loss and presented net in the Statement of Profit and Loss with other gain/(loss) in the period in which it arises.

**vii. Impairment of financial assets**

The Company assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 2C Summary of material accounting policies (Contd.)

Since the Company makes investments in highly rated fixed income securities, which are categorised as 'subsequently measured at amortised cost', the risk parameters such as tenor, the probability of default corresponding to the credit rating by rating agency (viz. CRISIL, ICRA), for each of these instruments is considered in estimating the probable credit loss over lifetime of such securities.

ECL impairment loss allowance (or reversal) is recognised during the period only if material and is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

#### viii. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

#### ix. Derecognition of financial assets

A financial asset is derecognised only when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Any gain or loss on derecognition will be recognised in the Statement of Profit and Loss.

### 5. Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities at FVTPL are measured at fair value and net gain and loss, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gain and loss are recognised in the Statement of Profit and Loss.

#### A. Recognition and initial measurement

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

#### B. Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

#### C. Derecognition

The Company derecognises financial liability when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

### 6. Employee benefits

#### A. Short-term employee benefits and defined contribution plan

Liabilities for salaries, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed), and are measured at the amounts expected to be paid when the liabilities are settled.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**2C Summary of material accounting policies** (Contd.)

The Company also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The Company has made contribution to superannuation fund, provident fund and pension scheme as per the scheme of the Company or to Government authority. Contributions to these schemes are made by the Company on periodic basis and charged to the Statement of Profit and Loss. The Company has no further obligation beyond these contributions.

**B. Defined benefits plans (Gratuity obligation)**

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with the plan's actuaries and past trend.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Payment for present liability of future payment of gratuity is being made to approved gratuity fund viz, Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary are recognised as a liability.

**C. Compensated absences**

Compensated absences entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment the liability is recognised on the basis of an independent actuarial valuation. The compensated absences liability is calculated annually by actuaries using the projected unit credit method.

**D. Employee stock option scheme**

The Company has entered into an equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Company carries out fair value cost assessment of employee stock options on the grant date using Black & Scholes model. The cost towards employees of the Company is recognised as employee benefits expenses, over the period in which the service conditions are fulfilled and that pertaining to employees of subsidiaries are recovered from subsidiaries. The cumulative expense/recharge recognised at each reporting date until the vesting date reflects the extent to which the vesting period has not expired and the Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for grants that do not ultimately vest because of non-fulfilment of service conditions.

**E. Treasury shares**

The Company has created an employee benefit trust (EBT) for providing share-based payment to its employees. The Company uses EBT as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain/(loss) is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve. Share options exercised during the reporting period are settled with treasury shares.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 2C Summary of material accounting policies (Contd.)

#### 7. Taxation

##### A. Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

##### B. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### 8. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### 9. Dividends on equity shares

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

#### 10. Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level 1, Level 2 and Level 3 based on the lowest level input that is significant to the fair value measurement as a whole.

### 2D Recent accounting pronouncements

No new standards or amendments have been issued which apply for the first time in March 2025.



## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**3 Cash and cash equivalents**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Balances with banks	18.04	20.97
	18.04	20.97

**4 Bank balances other than cash and cash equivalents**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Earmarked balances with bank (against unclaimed dividend)	0.88	0.56
	0.88	0.56

**5 Trade receivables**

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Good	1.17	0.79
	1.17	0.79

No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person nor from any firms or private companies respectively in which any director is a partner, a director or a member.

**Trade receivables ageing schedule**

(₹ In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	
<b>31 March 2025</b>						
Undisputed trade receivables - considered good	1.17	-	-	-	-	1.17
Unbilled dues	-	-	-	-	-	-
<b>31 March 2024</b>						
Undisputed trade receivables - considered good	0.79	-	-	-	-	0.79
Unbilled dues	-	-	-	-	-	-

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 6 Investments

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>A Investment in subsidiaries and joint venture</b>		
<b>Investment in equity instruments carried at cost</b>		
<b>In subsidiaries</b>		
Bajaj Finance Ltd.#	3,099.58	1,910.73
Bajaj Allianz Life Insurance Co. Ltd.	111.53	111.53
Bajaj Allianz General Insurance Co. Ltd.	81.57	81.57
Bajaj Finserv Direct Ltd.*	525.43	2.50
Bajaj Finserv Health Ltd.	2.50	2.50
Bajaj Finserv Asset Management Ltd.	350.00	300.00
Bajaj Finserv Mutual Fund Trustee Ltd.	0.35	0.35
Bajaj Finserv Ventures Ltd.	2.50	2.50
Deemed equity at cost for Bajaj Finserv Direct Ltd.*	-	522.93
Deemed equity at cost for Bajaj Finserv Health Ltd.*	1,123.20	692.50
Deemed equity at cost for Bajaj Finserv Ventures Ltd. *	225.00	225.00
Deemed equity at cost on account of ESOP scheme	21.03	21.03
<b>Cost</b>	<b>5,542.69</b>	<b>3,873.14</b>
<b>In joint venture</b>		
Bajaj Allianz Financial Distributors Ltd.	1.20	1.20
<b>Cost</b>	<b>1.20</b>	<b>1.20</b>
<b>Investment in compulsorily convertible preference shares carried at cost</b>		
<b>In subsidiaries</b>		
Bajaj Finserv Asset Management Ltd.	200.00	-
<b>Cost</b>	<b>200.00</b>	<b>-</b>
<b>Investment in share warrants</b>		
Bajaj Finance Ltd.#	-	297.21
<b>Cost</b>	<b>-</b>	<b>297.21</b>
<b>Total (A)</b>	<b>5,743.89</b>	<b>4,171.55</b>
<b>B Other investments</b>		
<b>Investments carried at amortised cost</b>		
<b>In debt securities of subsidiaries</b>		
Bajaj Finance Ltd.	799.33	694.64
Bajaj Housing Finance Ltd.	199.61	399.21
<b>Amortised cost</b>	<b>998.94</b>	<b>1,093.85</b>
<b>In certificate of deposits</b>		
Axis Bank Ltd.	145.91	24.57
Bank of Baroda Ltd.	-	24.81
Canara Bank Ltd.	49.01	49.49
HDFC Bank Ltd.	121.11	122.23
Small Industries Development Bank of India	97.06	64.38
ICICI Bank Ltd.	24.57	24.62
Indian Bank Ltd.	-	197.88
Punjab National Bank Ltd.	23.77	-
<b>Amortised cost</b>	<b>461.43</b>	<b>507.98</b>
<b>In inter corporate deposits</b>		
Bajaj Finance Ltd.	627.79	581.72
<b>Amortised cost</b>	<b>627.79</b>	<b>581.72</b>
<b>Investments carried at fair value through profit and loss</b>		
<b>In mutual funds</b>		
Bajaj Finserv Overnight Fund - Direct Plan - Growth	10.01	46.04
Bajaj Finserv Liquid Fund - Direct Plan - Growth	42.06	-
<b>Fair value</b>	<b>52.07</b>	<b>46.04</b>
<b>Total (B)</b>	<b>2,140.23</b>	<b>2,229.59</b>
<b>Total Investments (C) = (A) + (B)</b>	<b>7,884.12</b>	<b>6,401.14</b>

\* Refer note 2C. 4. A.

# The Company had subscribed to 1,550,000 warrants of Bajaj Finance Ltd. on preferential basis at an issue price of ₹ 7,670 per warrant convertible into equivalent number of equity shares of the face value of ₹ 2 each. These warrants were allotted on 2 November 2023. The Company had paid 25% of the issue price amounting to ₹ 297.21 crore on 2 November 2023 and the remaining 75% of the consideration amounting to ₹ 891.64 crore was paid on 26 March 2025. Accordingly, Bajaj Finance Ltd. has allotted 1,550,000 equity shares on 26 March 2025.

^ During the year ended 31 March 2025, Bajaj Finserv Direct Ltd. has allotted 259,755,730 equity shares to BFS by conversion from deemed equity to equity share capital amounting to ₹ 522.93 crore.

All investments in 6A and 6B above are within India.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**7 Other financial assets**

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Credit receivable for windpower generated	1.12	1.34
Interest accrued on investments	49.57	43.73
Security deposits	4.31	2.97
CSR set-off receivable	-	0.35
Other receivables	5.44	2.24
	60.44	50.63

**8 Investment property**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Gross carrying amount</b>		
Opening balance	8.25	8.25
Additions	-	-
Closing balance	8.25	8.25
<b>Accumulated depreciation</b>		
Opening balance	3.27	3.14
Depreciation charge	0.13	0.13
Closing balance	3.40	3.27
<b>Net carrying amount</b>	4.85	4.98

**i) Amounts recognised in Statement of Profit and Loss for investment property**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Rental income	2.22	2.10
Direct operating expenses from property that generated rental income	(0.03)	(0.03)
Profit from investment property before depreciation	2.19	2.07
Depreciation	(0.13)	(0.13)
Profit from investment property	2.06	1.94

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 8 Investment property (Contd.)

#### ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property. There are no restrictions on the existence and realisability of investment property or the remittance of income and proceeds of disposal.

#### iii) Leasing arrangements

Investment property is leased out to tenants under operating leases. Disclosure on future rent receivable is included in note 33.

#### iv) Fair value

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Investment property	42.54	41.22

#### Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties.

Investment property leased out by the Company is cancellable lease. The market rate for sale/purchase of such premises are representative of fair values. Company's investment property is at a location where active market is available for similar kind of property. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

## 9A Property, plant and equipment

## Current year

(₹ In Crore)

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 2024	Additions	Deductions / adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ adjustments	For the year (a)	As at 31 March 2025	As at 31 March 2025
Land freehold (b)	62.72	-	-	62.72	-	-	-	-	62.72
Buildings (a)	28.48	-	-	28.48	8.50	-	0.41	8.91	19.57
Computers	3.89	0.77	-	4.66	2.75	-	0.76	3.51	1.15
Electric fittings	0.48	-	-	0.48	0.48	-	-	0.48	-
Furniture	6.70	3.23	-	9.93	4.78	-	0.76	5.54	4.39
Office equipment	2.39	3.19	0.91	4.67	2.05	0.90	0.45	1.60	3.07
Leasehold improvements	0.47	-	-	0.47	0.19	-	0.09	0.28	0.19
Vehicles	12.96	11.48	1.15	23.29	5.48	0.47	1.66	6.67	16.62
Wind energy generators	283.72	-	-	283.72	269.53	-	-	269.53	14.19
<b>Total</b>	<b>401.81</b>	<b>18.67</b>	<b>2.06</b>	<b>418.42</b>	<b>293.76</b>	<b>1.37</b>	<b>4.13</b>	<b>296.52</b>	<b>121.90</b>

## Previous year

(₹ In Crore)

Particulars	Gross block				Accumulated depreciation			Net block	
	As at 1 April 2023	Additions	Deductions / adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ adjustments	For the year (a)	As at 31 March 2024	As at 31 March 2024
Land freehold (b)	63.55	0.23	1.06	62.72	-	-	-	-	62.72
Buildings (a)	28.48	-	-	28.48	8.09	-	0.41	8.50	19.98
Computers	3.30	0.59	-	3.89	2.16	-	0.59	2.75	1.14
Electric fittings	0.48	-	-	0.48	0.48	-	-	0.48	-
Furniture	6.63	0.07	-	6.70	4.02	-	0.76	4.78	1.92
Office equipment	2.26	0.13	-	2.39	1.95	-	0.10	2.05	0.34
Leasehold improvements	0.47	-	-	0.47	0.10	-	0.09	0.19	0.28
Vehicles	11.82	1.44	0.30	12.96	4.21	0.13	1.40	5.48	7.48
Wind energy generators	283.72	-	-	283.72	269.53	-	-	269.53	14.19
<b>Total</b>	<b>400.71</b>	<b>2.46</b>	<b>1.36</b>	<b>401.81</b>	<b>290.54</b>	<b>0.13</b>	<b>3.35</b>	<b>293.76</b>	<b>108.05</b>

- (a) Excludes premises held as investment property and given on lease disclosed as an investment. Correspondingly depreciation for the year on investment property amounting to ₹ 0.13 crore (previous year ₹ 0.13 crore) has been reduced from the said Investments under note 8.
- (b) Includes proportionate ownership in land consequent to acquisition of office premises under a deed of apartment, at an attributed cost of ₹ 2.94 crore.
- (c) All title deeds of immovable properties are held in the name of the Company.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 9B Capital work-in-progress

#### i) Movement in capital work-in-progress (CWIP)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Carrying amount at the beginning of the year	4.47	4.09
Add: Additions	0.11	0.38
Less: Disposal / capitalisation	-	-
Carrying amount at the end of the year	4.58	4.47

#### ii) Capital work-in-progress ageing schedule

##### Current year

(₹ In Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.49	-	0.01	4.08	4.58

There are no projects temporarily suspended and hence not required to be disclosed separately

##### Previous year

(₹ In Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.38	-	2.48	1.61	4.47

There are no projects temporarily suspended and hence not required to be disclosed separately

### 10 Other non-financial assets

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Capital advances	368.90	1.19
VAT refund receivable	0.49	0.49
GST receivable	7.35	4.37
Taxes and duties receivable	-	1.11
Others	0.26	0.06
	377.00	7.22



## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**11 Trade payables**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	8.50	2.78

On the basis of information requested from vendors with regards to their registration (filing of Memorandum) under 'The Micro, Small and Medium Enterprises Development Act, 2006. (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists as at 31 March 2025 and 31 March 2024 and hence no disclosures have been made in this regard.

**Trade payables ageing schedule**

(₹ In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
<b>31 March 2025</b>						
MSME	-	-	-	-	-	-
Others	8.29	0.19	0.02	-	-	8.50
<b>31 March 2024</b>						
MSME	-	-	-	-	-	-
Others	2.76	0.02	-	-	-	2.78

**12 Other financial liabilities**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Unclaimed dividend	0.88	0.56
Directors' remuneration and commission payable	26.72	23.32
Employee benefits payable	32.38	23.31
Security deposits	2.14	2.14
Others	1.31	0.71
	63.43	50.04

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 13 Deferred tax liabilities (net)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Deferred tax liabilities</b>		
On account of timing difference in		
Property, plant and equipment	5.34	5.72
Retiral and other employee benefits		
Defined benefit plan provisions - P&L	1.21	1.73
Financial instruments		
Amortisation of premium/discount on acquisition of debt securities	0.08	0.02
<b>Gross deferred tax liabilities</b>	<b>6.63</b>	<b>7.47</b>
<b>Deferred tax assets</b>		
On account of timing difference in		
Retiral and other employee benefits		
Provision for compensated absences	0.82	0.60
Defined benefit plan provisions - OCI	3.74	2.82
Financial instruments		
Amortisation of premium/discount on acquisition of debt securities	0.01	0.10
<b>Gross deferred tax assets</b>	<b>4.57</b>	<b>3.52</b>
<b>Deferred tax liabilities (net)</b>	<b>2.06</b>	<b>3.95</b>

### Movement in deferred tax liabilities/(assets)

(₹ In Crore)

Particulars	Property, plant and equipment	Financial instruments	Retiral and other employee benefits	Total
<b>At 31 March 2023</b>	5.78	(0.10)	(1.14)	4.55
(Charged)/credited				
- to profit and loss	(0.06)	0.02	0.29	0.25
- to other comprehensive income	-	-	(0.85)	(0.85)
<b>At 31 March 2024</b>	5.72	(0.08)	(1.70)	3.95
(Charged)/credited				
- to profit and loss	(0.38)	0.15	(0.73)	(0.96)
- to other comprehensive income	-	-	(0.93)	(0.93)
<b>At 31 March 2025</b>	<b>5.34</b>	<b>0.07</b>	<b>(3.36)</b>	<b>2.06</b>

### 14 Provisions

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Provision for employee benefits [See note 30]		
Provision for gratuity	10.08	4.30
Provision for compensated absences	3.26	2.38
	<b>13.34</b>	<b>6.68</b>

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**15 Other non-financial liabilities**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
Taxes and duties payable	0.75	-
Other payables	0.89	0.70
	1.64	0.70

**16 Equity share capital**

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Authorised</b>		
2,000,000,000 equity shares of ₹ 1 each	200.00	200.00
<b>Issued, subscribed and fully paid-up shares</b>		
1,596,662,097 (31 March 2024: 1,595,488,813) equity shares of ₹ 1 each	159.67	159.55
Less: 655,219 (31 March 2024: 1,360,460) equity shares of ₹ 1 each held in Trust for employees under ESOP scheme*	0.07	0.14
	159.60	159.41

**a. Reconciliation of the shares outstanding at the beginning and at the end of the year**

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	₹ In Crore	Nos.	₹ In Crore
<b>Equity shares</b>				
At the beginning of the year	1,595,488,813	159.55	1,592,815,460	159.28
Add: Issued during the year to trust for employees under ESOP scheme*	1,173,284	0.12	2,673,353	0.27
	1,596,662,097	159.67	1,595,488,813	159.55
Less: Equity shares held in trust for employees under ESOP scheme*	655,219	0.07	1,360,460	0.14
Outstanding at the end of the year (excluding shares held in ESOP trust)	1,596,006,878	159.60	1,594,128,353	159.41

\* On 27 May 2024, the Allotment Committee allotted 1,173,284 equity shares of face value of ₹ 1 each to Bajaj Finserv ESOP trust under Bajaj Finserv Ltd. Employee Stock Option Scheme. The shares were listed on BSE Ltd. and National Stock Exchange of India Ltd. with effect from 10 June 2024.

**b. Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared (if any) by the Board of Directors and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 16 Equity share capital (Contd.)

#### c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	% Holding	Nos.	% Holding
<b>Equity shares of ₹ 1 each fully paid</b>				
Bajaj Holdings & Investment Ltd.	623,142,140	39.03%	623,142,140	39.06%
Jamnallal Sons Pvt. Ltd.	154,900,840	9.70%	154,900,840	9.71%

#### d. Shares reserved for issue at a subsequent date

137,980 equity shares of ₹ 1 each (31 March 2024: 137,980 equity shares of ₹ 1 each) offered by way of right in an earlier year, have been held in abeyance pending adjudication of title and subscription thereafter.

#### e. Details of promoter shareholding

##### Shares held by promoters at the end of the year

Promoter/promoter group name	As at 31 March 2025			As at 31 March 2024		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Deepa Bajaj	1,000	-	-	1,000	-	(0.01%)
Geetika Bajaj	2,479,000	0.16%	-	2,479,000	0.16%	-
Kiran Bajaj	3,925,600	0.22%	-	3,925,600	0.22%	-
Kriti Bajaj	742,000	0.05%	-	742,000	0.05%	-
Kumud Bajaj	500,000	0.03%	-	500,000	0.03%	-
Late Madhur Bajaj	500,000	0.02%	-	500,000	0.02%	-
Minal Bajaj	642,000	0.04%	-	642,000	0.04%	-
Neelima Bajaj Swami	500,000	0.03%	-	500,000	0.03%	-
Nimisha Jaipuria	514,000	0.03%	-	500,000	0.03%	-
Niraj Bajaj	2,953,150	0.18%	(0.01%)	2,953,150	0.19%	(0.04%)
Niravnayan Bajaj	2,058,660	0.13%	-	2,058,660	0.13%	-
Estate of Rahulkumar Bajaj	-	-	-	-	-	(0.03%)
Rajivnayan Bajaj	1,000	-	-	1,000	-	(0.04%)
Rishabhayan Bajaj	112,320	0.01%	-	112,320	0.01%	0.01%
Sanjali Bajaj	903,690	0.06%	-	903,690	0.06%	0.01%
Sanjivnayan Bajaj	3,618,050	0.23%	-	3,618,050	0.23%	-
Shefali Bajaj	525,990	0.03%	-	525,990	0.03%	-
Shekhar Bajaj	1,630,260	0.10%	-	1,630,260	0.10%	(0.02%)
Siddhantnayan Bajaj	903,690	0.06%	-	903,690	0.06%	0.01%
Suman Jain	5,783,290	0.36%	-	5,783,290	0.36%	-
Manish Kejriwal	6,739,380	0.43%	0.43%	-	-	0.00%
Sunaina Kejriwal	-	-	(0.43%)	6,889,380	0.43%	(0.01%)
Nirvaan Kejriwal	111,330	0.01%	-	111,330	0.01%	0.01%
Pooja Bajaj	744,360	0.04%	-	744,360	0.04%	0.01%
Vanraj Bajaj	332,360	0.02%	-	332,360	0.02%	-
Sheetal Bajaj	224,000	0.01%	(0.01%)	249,000	0.02%	-
Bachhraj and Company Pvt. Ltd.	23,314,745	1.46%	0.11%	21,613,745	1.35%	0.08%
Bachhraj Factories Pvt. Ltd.	10,787,870	0.68%	-	10,787,870	0.68%	-

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

## 16 Equity share capital (Contd.)

Promoter/promoter group name	As at 31 March 2025			As at 31 March 2024		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Bajaj Auto Holdings Ltd.	2,090,050	0.13%	-	2,090,050	0.13%	-
Bajaj Holdings & Investment Ltd.	623,142,140	39.03%	(0.03%)	623,142,140	39.06%	(0.06%)
Bajaj Sevashram Pvt. Ltd.	26,685,025	1.67%	-	26,685,025	1.67%	0.03%
Baroda Industries Pvt. Ltd.	9,190,010	0.58%	-	9,190,010	0.58%	-
Hercules Hoists Ltd.	1,105,630	0.07%	-	1,105,630	0.07%	0.01%
Jamnalal Sons Pvt. Ltd.	154,900,840	9.70%	(0.01%)	154,900,840	9.71%	(0.01%)
Kamalnayan Investment & Trading Pvt. Ltd.	900,000	0.06%	-	900,000	0.06%	0.01%
Madhur Securities Pvt. Ltd.	941,000	0.06%	-	941,000	0.06%	0.03%
Maharashtra Scooters Ltd.	37,932,400	2.38%	-	37,932,400	2.38%	-
Niraj Holdings Pvt. Ltd.	244,000	0.02%	-	244,000	0.02%	-
Rahul Securities Pvt. Ltd.	2,074,000	0.13%	-	2,074,000	0.13%	0.02%
Rupa Equities Pvt. Ltd.	2,011,000	0.13%	-	2,011,000	0.13%	0.03%
Shekhar Holdings Pvt. Ltd.	834,000	0.05%	-	834,000	0.05%	0.02%
The Hindustan Housing Company Ltd.	80,000	0.01%	-	80,000	0.01%	-
Nimisha Trust (Madhur Bajaj)	-	-	-	14,000	-	-
Deepa Trust (Niraj Bajaj)	11,000	-	-	11,000	-	-
Aryaman Kejriwal	111,330	0.01%	-	111,330	0.01%	0.01%
Nirav Trust (Niraj Bajaj)	46,000	-	-	21,000	-	-
Niravnayan Trust (Niraj Bajaj)	4,355,000	0.27%	-	4,355,000	0.27%	-
Rishab Trust (Rajivnayan Bajaj)	11,000	-	-	11,000	-	-
Sanjali Trust (Sanjivnayan Bajaj)	11,000	-	-	11,000	-	-
Siddhant Trust (Sanjivnayan Bajaj)	22,000	-	-	22,000	-	-
Nirvaan Trust (Sunaina Kejriwal)	1,000	-	-	1,000	-	-
Aryaman Trust (Manish Kejriwal)	1,220	-	-	1,220	-	-
Anant Bajaj Trust (Shekhar Bajaj)	405,000	0.03%	-	405,000	0.03%	-
Sanjali Family Trust (Sanjivnayan Bajaj)	444,000	0.03%	-	444,000	0.03%	-
Siddhant Family Trust (Sanjivnayan Bajaj)	433,000	0.03%	-	433,000	0.03%	-
Rishab Family Trust (Rajivnayan Bajaj)	1,000	-	-	1,000	-	(0.13%)
Aryaman Family Trust (Manish Kejriwal)	944,000	0.06%	-	1,094,000	0.06%	(0.02%)
Nirvaan Family Trust (Sunaina Kejriwal)	944,000	0.06%	-	1,094,000	0.06%	(0.02%)
Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy)	2,320,190	0.15%	-	2,320,190	0.15%	-
Nimisha Jaipuria Family Trust (Nimisha Jaipuria)	2,382,730	0.15%	-	2,382,730	0.15%	-
Neelima Bajaj Family Trust (Kumud Bajaj)	3,379,240	0.21%	(0.02%)	3,630,240	0.23%	-
Nimisha Bajaj Family Trust (Madhur Bajaj)	3,553,700	0.22%	-	3,553,700	0.22%	-
Niravnayan Bajaj Family Trust (Niraj Bajaj)	5,500,000	0.34%	-	5,500,000	0.34%	-
Kriti Bajaj Family Trust (Minal Bajaj)	1,000,000	0.06%	-	1,000,000	0.06%	-
Geetika Shekhar Bajaj Trust (Shekhar Bajaj)	5,245,000	0.33%	-	5,245,000	0.33%	0.01%
Kumud Neelima Family Trust (Madhur Bajaj)	862,610	0.05%	(0.04%)	1,362,610	0.09%	-
Kumud Nimisha Family Trust (Madhur Bajaj)	862,610	0.05%	(0.04%)	1,362,610	0.09%	-
Madhur Neelima Family Trust (Kumud Bajaj)	1,362,610	0.09%	-	1,362,610	0.09%	-
Madhur Nimisha Family Trust (Kumud Bajaj)	1,362,620	0.09%	-	1,362,620	0.09%	-
<b>Total</b>	<b>968,249,700</b>	<b>60.64%</b>	<b>(0.05%)</b>	<b>968,249,700</b>	<b>60.69%</b>	<b>(0.09%)</b>

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 17 Other equity

#### a Reserves and surplus

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Securities premium</b>		
Balance as at the beginning of the year	1,238.37	968.50
Add: On issue of shares to Trust for employees pursuant to ESOP scheme	104.91	232.75
Add: On exercise of options by employees pursuant to ESOP scheme	62.04	37.12
	1,405.32	1,238.37
Less: Premium on equity shares held in Trust for employees under the ESOP scheme	(89.69)	(139.89)
Balance as at the end of the year (excluding shares held in ESOP trust)	1,315.63	1,098.48
<b>General reserve</b>		
Balance as at the beginning and the end of the year	1,219.58	1,213.79
Add: Transfer on cancellation of stock options	14.39	5.79
Balance as at the end of the year	1,233.97	1,219.58
<b>Share based payments reserve</b>		
Balance as at the beginning of the year	436.37	313.57
Add: Recognition of share based payments to employees of the Company	20.20	17.46
Add: Recognition of share based payments to employees of subsidiaries (net)	190.58	148.25
Less: Transfer on cancellation of stock options	(14.39)	(5.79)
Less: Transfer on exercise of options by employees pursuant to ESOP scheme	(62.04)	(37.12)
Balance as at the end of the year	570.72	436.37
<b>Treasury shares</b>		
Balance as at the beginning of the year	(104.31)	(117.48)
Add: Movement during the year	40.40	13.17
Balance as at the end of the year	(63.91)	(104.31)
<b>Retained earnings</b>		
Balance as at the beginning of the year	3,759.44	2,719.34
Profit for the year	1,558.87	1,170.06
Items of other comprehensive income recognised directly in retained earnings		
Actuarial losses of defined benefit plans	(2.76)	(2.53)
Less: Appropriations		
Final dividend, declared and paid during the year	159.67	127.43
Total appropriations	159.67	127.43
Balance as at the end of the year	5,155.88	3,759.44
	8,212.29	6,409.56



## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**17 Other equity** (Contd.)**b Nature and purpose of reserve****Securities premium**

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with section 52 and other provisions of the Companies Act, 2013.

**General reserve**

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

**Share based payments reserve**

Share based payments reserve is created as required by Ind AS 102 'Share Based Payments' on the employee stock option scheme operated by the Company.

**Treasury shares**

The Company has a stock option scheme for its employees. At the time of grant, shares equal to the quantum of options granted are purchased and held by the BFS ESOP trust ('ESOP trust'). The ESOP trust transfers such shares to employees at the time of exercise of option by employees. The reserve pertains to the shares of the Company held under the ESOP trust.

**Retained earnings**

Retained earnings represents the surplus in profit and loss account that the Company has earned till date, less any transfers to general reserve, special reserve, dividends or other distributions paid to shareholders, reclassification of gain/(loss) on sale of FVTOCI equity instruments and balance of remeasurement of net defined benefit plans. Retained earnings is a free reserve.

**18 Interest income**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Interest income on		
Investments (at amortised cost)	226.02	155.85
	226.02	155.85

**19 Windpower income**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Income from power generation (within India) [See note 29]	22.28	22.80
Income from renewable energy certificates (REC) (within India)	-	1.28
	22.28	24.08

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 20 Net gain on fair value changes

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
Net gain/(loss) on financial instruments at FVTPL	9.60	8.89
Others		
Gain/(loss) on sale of debt instruments at amortised cost	(0.02)	0.11
	9.58	9.00
Fair value changes		
Realised	9.56	8.90
Unrealised	0.04	(0.01)
	9.60	8.89

### 21 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
Business support service	37.51	33.91
Surplus on sale of property, plant and equipment (net)	-	0.25
Provision no longer required	-	0.46
	37.51	34.62

### 22 Employee benefits expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
Salaries, wages and bonus to employees	129.13	102.49
Contribution to provident and other funds	7.79	6.26
Share based payments to employees	20.20	17.46
Staff welfare expenses	0.96	0.62
	158.08	126.83

### 23 Depreciation, amortisation and impairment

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
Depreciation on property, plant and equipment	4.13	3.35
Depreciation on investment property	0.13	0.13
	4.26	3.48

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**24 Other expenses**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Rent	3.71	3.15
Repairs and maintenance - building and others	6.15	5.54
Repairs and maintenance - windpower	8.91	8.75
Energy generation expenses	0.29	0.11
REC registration, issuance and brokerage charges	-	0.11
Rates and taxes	0.82	1.12
Insurance	0.84	0.83
Payment to auditor	0.34	0.31
Directors' fees and travelling expenses	2.41	1.84
Commission to non-executive directors	2.85	3.09
Loss on sale of property, plant and equipment	0.60	0.12
Travelling (including foreign travel) expenses	3.15	1.47
Business support service expenses	1.01	1.87
Expenditure towards Corporate Social Responsibility (CSR) activities	0.73	0.64
Legal and professional charges	21.40	11.79
Training and conference expenses	8.87	7.68
Miscellaneous expenses	25.37	18.26
	87.45	66.68
<b>Payment to auditor</b>		
<b>As auditor</b>		
Audit fee	0.18	0.15
Tax audit fee	0.03	0.03
Limited review	0.09	0.09
Other services (certification fees and other matters)	0.01	0.02
Reimbursement of expenses	0.03	0.02
	0.34	0.31

**Expenditure towards Corporate Social Responsibility (CSR) activities**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
Gross amount required to be spent by the Company during the year	0.72	0.61
Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.73	0.64
	0.73	0.64

There is no shortfall at the end of the year out of the amount required to be spent by the Company.

The Company's corporate social responsibility initiatives are strategically directed towards areas of youth skilling, child education, child health, child protection and inclusion for persons with disabilities. It also includes support to its self-implemented employability initiative – Skillserv.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 25 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2025	2024
<b>(a) Tax expense</b>		
Current tax		
Current tax on profit for the year	491.49	366.61
Deferred tax		
Decrease/(increase) in deferred tax assets	(0.13)	0.03
(Decrease)/increase in deferred tax liabilities	(0.83)	0.22
Total deferred tax expense/(benefit)	(0.96)	0.25
Tax expense	490.53	366.86
<b>(b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate</b>		
Profit before tax	2,049.40	1,536.92
Tax at the statutory tax rate of 25.17%	515.83	386.84
Tax on expenditure not considered for tax provision	15.07	12.46
Deduction under section 80M - dividend paid	(40.18)	(32.07)
Tax on income not subject to tax	(0.19)	(0.37)
Tax expense	490.53	366.86

### 26 Earnings per share (EPS)

Particulars	For the year ended 31 March	
	2025	2024
Profit for the year (₹ In Crore)	1,558.87	1,170.06
Weighted average number of shares outstanding during the year (Nos)	1,595,488,813	1,592,815,460
Weighted average number of shares outstanding during the year (Nos) - Diluted	1,611,651,382	1,608,289,294
Earnings per share (Basic) ₹	9.8	7.3
Earnings per share (Diluted) ₹	9.7	7.3
Face value per share ₹	1.0	1.0

### 27 Contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2025	2024
a. Claims against the Company not acknowledged as debts	0.05	0.05
b. Income-tax matters under dispute		
Appeal by Company	6.31	6.31
c. Value Added Tax (VAT), service tax and GST matters under dispute	1.72	1.72

In all the cases mentioned above, outflow is not probable and hence not provided by the Company.

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

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**28 Capital and other commitments**

(₹ In Crore)

a) Particulars	As at 31 March	
	2025	2024
Partly paid share warrants <sup>#</sup>	-	891.64
Commitment for acquisition by subsidiary <sup>@</sup>	-	325.00
Capital commitments, net of capital advances	94.02	3.80

#Refer Note 6A

@ In previous year, the Company had agreed to invest a sum of ₹ 325 crore in Bajaj Finserv Health Ltd., a wholly owned subsidiary of the Company to complete the acquisition of Vidal Healthcare Services Pvt. Ltd. During the year ended 31 March 2025, Bajaj Finserv Health Ltd. completed acquisition of 100% stake in Vidal Healthcare Services Private Ltd.

- b) The Company has executed Share Purchase Agreements (SPAs) for the acquisition of 26% equity stake owned by Allianz in its insurance subsidiaries, viz. Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC), with participation by the promoter and promoter group entities of BFS. The acquisition will be in one or more tranches, of which the initial first tranche shall be at least 6.1% stake. Upon completion of the initial first tranche, the joint venture agreements between the Company and Allianz SE will be terminated.

Pursuant to the above, the Company would be acquiring from Allianz, subject to approvals of the Competition Commission of India, Insurance Regulatory Development Authority of India and other customary approvals, 1.01% equity stake in each of the companies as a part of the initial first tranche of acquisition.

The Company has also executed Share Purchase Agreement (SPA) for the acquisition, subject to required regulatory approvals, of 50% equity stake owned by Allianz in Bajaj Allianz Financial Distributors Ltd. (BAFDL).

**29 Details of windpower generation and turnover**

Particulars	For the year ended 31 March			
	2025		2024	
	Units (In Lakh)	Value (₹ In Crore)	Units (In Lakh)	Value (₹ In Crore)
Credit for unbilled units brought forward from previous year	53	1.35	41	1.04
Gross generated, during the year	841	22.28	904	22.80
Sold, during the year	852	22.51	892	22.49
Credits receivable (unbilled at year end)	42	1.12	53	1.35

The Company has 10,605 (Previous year 10,605) renewable energy certificates (REC).

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 30 Employee benefit plans

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Ind AS 19, the details of which are as hereunder.

#### Funded schemes

##### Gratuity

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Amount recognised in Balance Sheet</b>		
Present value of funded defined benefit obligation	35.24	26.68
Fair value of plan assets	25.16	22.38
<b>Net funded obligation</b>	10.08	4.30
<b>Expense recognised in Statement of Profit and Loss</b>		
Current service cost	1.89	1.74
Interest on net defined benefit liability/(asset)	0.20	0.12
<b>Total expense charged to Statement of Profit and Loss</b>	2.09	1.86
<b>Amount recorded as Other Comprehensive Income</b>		
Opening amount recognised in OCI outside Statement of Profit and Loss	11.18	7.80
Remeasurements during the period due to		
Changes in financial assumptions	0.95	0.41
Experience adjustments	3.14	2.81
Actual return on plan assets less interest on plan assets	(0.40)	0.16
<b>Closing amount recognised in OCI outside Statement of Profit and Loss</b>	14.87	11.18
<b>Reconciliation of net liability/(asset)</b>		
Opening net defined benefit liability/(asset)	4.30	2.06
Expense charged to Statement of Profit and Loss	2.09	1.86
Amount recognised outside Statement of Profit and Loss	3.69	3.38
Employer contributions	-	(3.00)
<b>Closing net defined benefit liability/(asset)</b>	10.08	4.30



## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

## 30 Employee benefit plans (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Movement in benefit obligation</b>		
Opening of defined benefit obligation	26.68	23.58
Current service cost	1.89	1.74
Interest on defined benefit obligation	1.77	1.60
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	0.96	0.41
Actuarial loss/(gain) arising on account of experience changes	3.14	2.81
Benefits paid/transferred	-	(3.20)
Liabilities assumed / (settled)*	0.80	(0.26)
<b>Closing of defined benefit obligation</b>	<b>35.24</b>	<b>26.68</b>
<b>Movement in plan assets</b>		
Opening fair value of plan assets	22.38	21.52
Employer contributions	-	3.00
Interest on plan assets	1.57	1.48
Remeasurements due to		
Actual return on plan assets less interest on plan assets	0.40	(0.16)
Benefits paid	-	(3.20)
Assets acquired/(settled)*	0.81	(0.26)
<b>Closing fair value of plan assets</b>	<b>25.16</b>	<b>22.38</b>
* On account of inter group transfer		
<b>Disaggregation of assets</b>		
Category of assets		
Insurer managed funds	25.16	22.38
Others	-	-
<b>Grand Total</b>	<b>25.16</b>	<b>22.38</b>

## Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
<b>Senior staff</b>				
Impact of increase in 50 bps on DBO	(2.53%)	2.56%	(2.59%)	2.62%
Impact of decrease in 50 bps on DBO	2.65%	(2.46%)	2.71%	(2.54%)
<b>Junior staff</b>				
Impact of increase in 50 bps on DBO	(9.71%)	10.64%	(8.93%)	9.76%
Impact of decrease in 50 bps on DBO	11.04%	(9.48%)	10.08%	(8.75%)

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 30 Employee benefit plans (Contd.)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

#### Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested.

The trustees of the plan have outsourced investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under-funding of the plan.

The expected contribution payable to the plan next year is ₹ 3.10 crore

#### Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan

(₹ In Crore)

	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
<b>31 March 2025</b>					
Senior staff	5.26	0.48	29.60	14.29	49.63
Junior staff	0.01	0.01	0.09	11.99	12.10
<b>31 March 2024</b>					
Senior staff	4.26	0.36	1.61	32.55	38.78
Junior staff	0.01	0.01	0.07	8.50	8.59

Particulars	As at 31 March	
	2025	2024
<b>Weighted average duration of defined benefit obligation (in years)</b>		
Senior staff	5.17	5.29
Junior staff	20.68	18.95

Particulars	As at 31 March	
	2025	2024
<b>Principal actuarial assumptions (expressed as weighted averages)</b>		
Discount rate (p.a.)	6.75%	7.20%
Salary escalation rate (p.a.) – senior staff	10.00%	10.00%
Salary escalation rate (p.a.) – junior staff	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**30 Employee benefit plans** (Contd.)**Unfunded schemes**

(₹ In Crore)

Particulars	Compensated absences	
	As at 31 March	
	2025	2024
Present value of unfunded obligations	3.26	2.38
Expense recognised in Statement of Profit and Loss	2.55	1.60
Amount recorded as Other Comprehensive Income	-	-
Discount rate (p.a.)	6.75%	7.20%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%

**Amount recognised in the Statement of Profit and Loss**

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>Defined contribution plans</b>		
Provident fund paid to Government authorities	4.16	3.15
Superannuation paid to trust	1.06	0.94
Pension fund paid to Government authorities	0.10	0.10
Others	0.38	0.20
<b>Defined benefit plans</b>		
Gratuity	2.09	1.86
Others	-	0.01
<b>Total</b>	<b>7.79</b>	<b>6.26</b>

**31 Segment information**

The Company is essentially a investment company and has no products and services which are reportable as per Ind AS 108 dealing with operating segments.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 32 Disclosure of transactions with related parties as required by Ind AS 24

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2024-25		2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Subsidiaries					
Bajaj Allianz General Insurance Co. Ltd. (BAGIC) (74 % shares held by Bajaj Finserv Ltd.)	Investment in equity (81,568,165 shares of ₹ 10 each)	-	81.57	-	81.57
	Dividend received	489.41	-	220.23	-
	Rent received	2.21	-	2.09	-
	Deposit received	-	(2.14)	-	(2.14)
	Insurance expense	1.66	0.87	0.80	1.01
	Reimbursements to BFS for share based payments	65.69	-	50.60	-
	Business support services rendered	6.23	0.21	4.96	-
	Protection fee for brand usage recovered	0.11	-	0.11	-
	Business support services received	0.09	-	-	-
	Revenue expenses reimbursement received	1.04	0.90	1.81	-
	Asset transfer from BAGIC to BFS	0.01	-	-	-
Bajaj Allianz Life Insurance Co. Ltd. (BALIC) (74 % shares held by Bajaj Finserv Ltd.)	Investment in equity (111,524,660 shares of ₹ 10 each)	-	111.53	-	111.53
	Dividend received	368.03	-	334.57	-
	Reimbursements to BFS for share based payments	70.34	-	58.46	-
	Business support services rendered	9.00	0.16	6.72	2.20
	Protection fee for brand usage recovered	0.11	-	0.11	-
	Insurance expense	0.08	-	0.13	0.08
	Revenue expenses reimbursement received	1.43	-	2.29	-
	Business support services received	0.29	-	-	-
Bajaj Finance Ltd. (51.39% shares held by Bajaj Finserv Ltd.)	Investment in equity (319,366,130 shares of ₹ 2 each)*	-	3,099.58	-	1,910.73
	Investment in non-convertible debentures	-	800.00	-	695.00
	Investment / (maturity) in ICDs	-	550.00	550.00	550.00
	Investment in equity warrants (1,550,000 warrants of ₹ 2 each)*	891.64	-	297.21	297.21
	Redemption of non-convertible debentures	195.00	-	75.00	-
	Interest received on non-convertible debentures	47.92	-	52.10	-
	Reimbursements to BFS for share based payments	4.06	-	2.89	-
	Dividend received	1,144.14	-	953.45	-
	Employee car transfer	-	-	0.09	-
	Business support services received	0.46	-	1.42	-
	Business support services rendered	14.46	-	13.61	-
	Protection fee for brand usage recovered	0.15	-	0.15	-
	Revenue expenses reimbursement received	1.91	-	3.47	-
	Revenue expenses reimbursement paid	-	-	0.01	-
	Interest accrued but not due on bonds	-	48.88	-	33.80
	Interest accrued but not due on ICD	-	77.79	-	31.72

\* During the year, balance amount due (75%) on equity warrants outstanding of ₹ 891.64 crore have been subscribed to and subsequently 100% value of warrants amounting to ₹ 1,188.85 crore have been converted to equity shares.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**32 Disclosure of transactions with related parties as required by Ind AS 24** (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2024-25		2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Bajaj Finserv Direct Ltd. (80.10% shares held by Bajaj Finserv Ltd.)	Investment in equity (2,500,000 shares of ₹ 10 each)	-	2.50	-	2.50
	Investment in equity (259,755,730 shares of ₹ 10 each) conversion from deemed equity to equity shares	522.93	522.93	-	-
	Deemed equity at cost for Bajaj Finserv Direct Ltd.	-	-	-	522.93
	Reimbursements to BFS for share based payments	13.45	-	8.58	-
	Business support services rendered	0.61	-	1.18	0.04
	Revenue expenses reimbursement received	0.17	0.17	0.49	-
Bajaj Finserv Health Ltd. (Fully owned subsidiary)	Investment in equity (2,499,994 shares of ₹ 10 each)	-	2.50	-	2.50
	Deemed equity at cost for Bajaj Finserv Health Ltd.	430.70	1,123.20	235.00	692.50
	Business support services rendered	2.56	0.10	2.88	-
	Reimbursements to BFS for share based payments	23.86	-	19.81	-
	Revenue expenses reimbursement received	0.27	-	0.37	-
Bajaj Finserv Ventures Ltd. (Fully owned subsidiary)	Investment in equity (2,500,000 shares of ₹ 10 each)	-	2.50	-	2.50
	Deemed equity at cost for Bajaj Finserv Ventures Ltd.	-	225.00	70.00	225.00
	Revenue expenses reimbursement received	0.03	-	0.09	-
	Business support services rendered	0.98	-	0.70	-
Bajaj Finserv Asset Management Ltd. (Fully owned subsidiary)	Investment in equity (350,000,000 shares of ₹ 10 each)	50.00	350.00	200.00	300.00
	Investment in CCPS (200,000,000 shares of ₹ 10 each)	200.00	200.00	-	-
	Revenue expenses reimbursement received	0.20	0.23	0.13	-
	Business support services rendered	1.29	0.23	2.31	-
	Reimbursements to BFS for share based payments	12.50	-	7.25	-
Bajaj Finserv Mutual fund Trustee Ltd. (Fully owned subsidiary)	Investment in equity (350,000 shares of ₹ 10 each)	-	0.35	0.25	0.35
Bajaj Housing Finance Ltd. (88.75% shares held by Bajaj Finance Ltd.)	Investment in non-convertible debentures / commercial paper	-	200.00	-	400.00
	Interest accrued but not due	-	0.69	-	9.93
	Redemption of non-convertible debentures	200.00	-	150.00	-
	Interest received on non-convertible debentures	27.25	-	36.12	-
	Business support services rendered	0.82	-	0.64	-
	Revenue expenses reimbursement received	0.26	-	0.68	-
	Reimbursements to BFS for share based payments	0.65	-	0.65	-
Bajaj Financial Securities Ltd. (Fully owned subsidiary of Bajaj Finance Ltd.)	Business support services rendered	0.12	-	0.09	-
	Revenue expenses reimbursement received	0.04	-	0.08	-

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 32 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2024-25		2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
B Associates, joint ventures and investing parties					
Bajaj Holdings & Investment Ltd. (investing party)	Investment in BFS equity (623,142,140 shares of ₹ 1 each)	-	(62.31)	-	(62.31)
	Dividend paid	62.31	-	49.85	-
	Business support services received	0.01	-	0.10	-
	Business support services rendered	0.83	-	0.45	-
	Revenue expenses reimbursement received	-	-	0.01	-
	Revenue expenses reimbursement paid	4.27	-	1.95	-
Bajaj Allianz Financial Distributors Ltd. (a joint venture - 50% shares held by Bajaj Finserv Ltd.)	Investment in equity (1,200,000 shares of ₹ 10 each)	-	1.20	-	1.20
	Services received	3.65	-	2.60	-
Bajaj Allianz Staffing Solutions Ltd.	Services received	0.42	-	0.27	-
C Key management personnel and their relatives					
Sanjiv Bajaj (Chairman & Managing Director) (Also Key management personnel)	Short-term employee benefits (including commission and perquisite)	35.03	(23.87)	29.63	(20.23)
	Post-employment benefits	2.41	-	2.04	-
	Deposit paid	1.08	2.16	-	1.08
	Rent paid	1.51	-	1.15	-
Late Madhur Bajaj (Up to 24 July 2024)	Sitting fees	-	-	0.07	-
	Commission	-	-	0.21	(0.21)
Rajiv Bajaj	Sitting fees	0.07	-	0.05	-
	Commission	0.21	(0.21)	0.15	(0.15)
Shefali Bajaj	Deposit paid	-	0.41	-	0.41
	Rent paid	0.52	-	0.50	-
Late D J Balaji Rao ( Up to 28 November 2023)	Sitting fees	-	-	0.11	-
	Commission	-	-	0.33	(0.33)
Dr. Naushad Forbes	Sitting fees	0.22	-	0.20	-
	Commission	0.66	(0.66)	0.60	(0.60)
Manish Kejriwal	Sitting fees	0.10	-	0.10	-
	Commission	0.30	(0.30)	0.30	(0.30)
Anami Roy	Sitting fees	0.21	-	0.18	-
	Commission	0.63	(0.63)	0.54	(0.54)
Radhika Haribhakti	Sitting fees	0.16	-	0.15	-
	Commission	0.48	(0.48)	0.45	(0.45)
Pramit Jhaveri	Sitting fees	0.17	-	0.17	-
	Commission	0.51	(0.51)	0.51	(0.51)
Sanjiv Nandan Sahai	Sitting fees	0.02	-	-	-
	Commission	0.06	(0.06)	-	-
D Other entities / persons					
Bajaj Auto Ltd.	Business support services received	0.08	-	0.34	-
	Revenue expenses reimbursement paid	0.03	-	0.04	-
Hindustan Housing Co. Ltd.	Investment in BFS equity (80,000 shares of ₹ 1 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.01	-	0.01	-



## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**32 Disclosure of transactions with related parties as required by Ind AS 24** (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2024-25		2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Hercules Hoists Ltd.	Investment in BFS equity (1,105,630 shares of ₹ 1 each)	-	(0.11)	-	(0.11)
	Dividend paid	0.11	-	0.09	-
Bajaj Auto Holdings Ltd.	Investment in BFS equity (2,090,050 shares of ₹ 1 each)	-	(0.21)	-	(0.21)
	Dividend paid	0.21	-	0.17	-
Hind Musafir Agency Ltd.	Services received	1.30	-	0.50	-
Maharashtra Scooters Ltd.	Investment in BFS equity (37,932,400 shares of ₹ 1 each)	-	(3.79)	-	(3.79)
	Dividend paid	3.79	-	3.03	-
	Business support services rendered	0.24	-	-	-
Sanjali Family Trust	Rent paid	0.49	-	0.63	-
	Security deposit paid	(0.14)	-	-	0.14
	Revenue expenses reimbursement paid	0.07	-	0.09	-
Indian School of Business	Training expenses	1.76	-	3.21	-
Allianz SE	Revenue expenses reimbursement received	2.42	2.42	-	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	1.06	-	0.94	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	-	-	0.01	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	-	-	3.00	-

The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard (Ind AS) 24.

**33 Lease****As a lessor**

The Company has given a premise on operating lease. This lease arrangement is for a period of five years and is a cancellable lease. This lease agreement is renewable for further period on mutually agreeable terms and also includes escalation clause.

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
i) Office premise		
Gross carrying amount	8.25	8.25
Depreciation for the year	0.13	0.13
Accumulated depreciation	3.40	3.27
ii) The total future minimum lease rentals receivable at the balance sheet date is as under		
<b>Receivable</b>		
Within one year	0.93	2.22
After one year but not more than five years	0.01	0.94
More than five years	-	-
	0.94	3.16

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 34 Fair value measurement

#### i) Financial instruments by category

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
<b>Financial assets</b>						
Investments						
Bonds and debentures	-	-	998.94	-	-	1,093.85
Liquid mutual funds	52.07	-	-	46.04	-	-
Certificate of deposits	-	-	461.43	-	-	507.98
Inter corporate deposits	-	-	627.79	-	-	581.72
Cash and cash equivalents	-	-	18.04	-	-	20.97
Other bank balances	-	-	0.88	-	-	0.56
Trade receivables	-	-	1.17	-	-	0.79
Other financial assets	-	-	60.44	-	-	50.63
<b>Total financial assets</b>	52.07	-	2,168.69	46.04	-	2,256.50
<b>Financial liabilities</b>						
Trade payables	-	-	8.50	-	-	2.78
Other financial liabilities	-	-	63.43	-	-	50.04
<b>Total financial liabilities</b>	-	-	71.93	-	-	52.82

#### ii) Fair value hierarchy

This section explains the basis of estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS, which are explained herein below.

#### Financial assets measured at fair value - recurring fair value measurements as at 31 March 2025

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVTPL</b>					
Liquid mutual funds	6B	52.07	-	-	52.07
Total financial assets		52.07	-	-	52.07

#### Financial assets which are measured at amortised cost for which fair values as at 31 March 2025 are disclosed below

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	6B	1,002.72	-	-	1,002.72
Certificate of deposits	6B	461.43	-	-	461.43
Inter corporate deposits	6B	-	627.79	-	627.79
Total financial assets		1,464.15	627.79	-	2,091.94

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**34 Fair value measurement** (Contd.)**Assets disclosed at fair value - at 31 March 2025**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment property	8	-	42.54	-	42.54

**Financial assets measured at fair value - recurring fair value measurements as at 31 March 2024**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
<b>Financial investments at FVTPL</b>					
Liquid mutual funds	6B	46.04	-	-	46.04
Total financial assets		46.04	-	-	46.04

**Financial assets which are measured at amortised cost for which fair values as at 31 March 2024 are disclosed below**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	6B	1,089.23	-	-	1,089.23
Certificate of deposit	6B	507.98	-	-	507.98
Inter corporate deposits	6B	-	581.72	-	581.72
Total financial assets		1,597.21	581.72	-	2,178.93

**Assets disclosed at fair value - as at 31 March 2024**

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Investment property	8	-	41.22	-	41.22

**Valuation principles**

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

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

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

**Level 2:** The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 34 Fair value measurement (Contd.)

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

#### Valuation techniques used to determine fair value

Valuation techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAVs/rates declared and/or quoted.
- Close ended mutual funds at NAVs declared by AMFI.
- For other bonds and debentures values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as ICRA (Investment Information and Credit Rating Agency).
- Commercial papers and certificate of deposits, being short-term maturity papers, amortised cost is assumed to be the fair value.

#### iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ In Crore)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>				
Investments				
Bonds and debentures	998.94	1,002.72	1,093.85	1,089.23
Certificate of deposits	461.43	461.43	507.98	507.98
Inter corporate deposits	627.79	627.79	581.72	581.72
Cash and cash equivalents	18.04	18.04	20.97	20.97
Other bank balances	0.88	0.88	0.56	0.56
Trade receivables	1.17	1.17	0.79	0.79
Other financial assets	60.44	60.44	50.63	50.63
<b>Total financial assets</b>	<b>2,168.69</b>	<b>2,172.47</b>	<b>2,256.50</b>	<b>2,251.88</b>

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**35 Financial risk management**

The Company operates, at present, only in India. Whilst risk is inherent in the Company's activities, it is managed through a risk management framework, including ongoing identification, measurement and monitoring subject to risk limits and other controls. The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk.

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of available funds. The Company's risk management is carried out by its Risk Management Committee as per such policies approved by the Board of Directors. Accordingly, Company's Risk Management Committee identifies, evaluates and manages financial risks.

**A. Credit risk**

Credit risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arises from cash equivalents, financial assets measured at amortised cost, financial assets measured at FVTPL and trade receivables.

**Credit risk management**

In regard to trade receivables, which are typically unsecured, credit risk is managed through credit approvals, establishing credit limit and continuously monitoring the credit worthiness of customers to whom credit is extended in the normal course of business.

With regards to financial assets represented substantially by investments, the Company has an Investment Policy which allows the Company to invest only with counterparties having a credit rating equal to or above AA+ and P1+. The Company reviews the creditworthiness of these counterparties on an on-going basis. Counter party exposure limits maybe updated as and when required, subject to approval of Board of Directors.

**B. Liquidity risk**

The Company's principal sources of liquidity are cash and cash equivalents, investments in money market instruments and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period.

**C. Other risk (Market risk)**

The Company has deployed its surplus funds in debt and money market instruments (including through funds). The Company is exposed to price risk on such investments, which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity instruments. The Company invests in certificate of deposits and liquid mutual funds to ensure adequate liquidity is available. Temporary market volatility, if any is not considered to have material impact on the carrying value of these instruments. Nevertheless, the Company has invested its surplus funds primarily in debt instruments of its subsidiary with CRISIL AAA and STABLE A1+ rating and thus the Company does not have significant risk exposure.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 36 Capital management

#### a) Objectives, policies and processes of capital management

The Company is cash surplus and has only equity capital. Under Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered core investment company (CIC) as per Reserve Bank of India guidelines dated 13 August 2020 and is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in debt and money market instruments (including through mutual funds) depending on economic conditions in line with the CIC guidelines set out by the RBI and Investment Policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds while maintaining enough liquidity. The Company does not have any borrowings.

(₹ In Crore)

Particulars	As at 31 March	
	2025	2024
<b>Equity</b>	8,371.89	6,568.97
Add: Deferred tax liabilities (net)	2.06	3.95
Less: Tangible and other assets	131.33	117.50
Working capital	358.50	54.28
Investments in subsidiaries and joint venture	5,743.89	4,171.55
<b>Investments in debt and similar instruments</b>	2,140.23	2,229.59

No changes in this regard were made in the objectives, policies and processes of capital management during the year.

#### b) Analytical ratios

The Company is termed as an unregistered core investment company (CIC) as per Reserve Bank of India guidelines dated 13 August 2020 and is not exposed to any regulatory imposed capital requirements. Thus, the following analytical ratios are not applicable to the Company:

1. Capital to risk-weighted assets ratio (CRAR)
2. Tier I CRAR
3. Tier II CRAR
4. Liquidity coverage ratio

#### c) Dividends distributed and proposed

(₹ In Crore)

Particulars	For the year ended 31 March	
	2025	2024
<b>Dividends recognised in the financial statements</b>		
Final dividend for the year ended 31 March 2024 of ₹ 1 (31 March 2023 – ₹ 0.80) per equity share	159.55	127.43
<b>Dividends not recognised at the end of the reporting period</b>		
Directors have recommended the payment of a final dividend of ₹ 1 per equity share for the year ended 31 March 2025 (31 March 2024 – ₹ 1). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	159.67	159.55



## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

## 37 Maturity analysis of assets and liabilities

(₹ In Crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
<b>Assets</b>						
<b>Financial assets</b>						
Cash and cash equivalents	18.04	-	18.04	20.97	-	20.97
Bank balances other than cash and cash equivalents	0.02	0.86	0.88	0.06	0.50	0.56
Trade receivables	1.17	-	1.17	0.79	-	0.79
Investment in subsidiaries and joint venture	-	5,743.89	5,743.89	-	4,171.55	4,171.55
Other investments	1,212.67	927.56	2,140.23	948.89	1,280.70	2,229.59
Other financial assets	56.13	4.31	60.44	47.66	2.97	50.63
<b>Non-financial assets</b>						
Current tax assets (net)	-	51.84	51.84	-	51.72	51.72
Investment property	-	4.85	4.85	-	4.98	4.98
Property, plant and equipment	-	121.90	121.90	-	108.05	108.05
Capital work-in-progress	-	4.58	4.58	-	4.47	4.47
Other non-financial assets	-	377.00	377.00	0.16	7.06	7.22
<b>Total</b>	<b>1,288.03</b>	<b>7,236.79</b>	<b>8,524.82</b>	<b>1,018.53</b>	<b>5,632.00</b>	<b>6,650.53</b>
<b>Liabilities</b>						
<b>Financial liabilities</b>						
Trade payables	8.50	-	8.50	2.78	-	2.78
Other financial liabilities	61.29	2.14	63.43	47.90	2.14	50.04
<b>Non-financial liabilities</b>						
Current tax liabilities (net)	-	63.96	63.96	-	17.41	17.41
Deferred tax liabilities (net)	-	2.06	2.06	-	3.95	3.95
Provisions	0.95	12.39	13.34	0.73	5.95	6.68
Other non-financial liabilities	1.64	-	1.64	0.70	-	0.70
<b>Total</b>	<b>72.38</b>	<b>80.55</b>	<b>152.93</b>	<b>52.11</b>	<b>29.45</b>	<b>81.56</b>
<b>Net</b>	<b>1,215.65</b>	<b>7,156.24</b>	<b>8,371.89</b>	<b>966.42</b>	<b>5,602.55</b>	<b>6,568.97</b>

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 38 Share-based payments (Employee stock option plan)

The Company has established employees stock options plan, 2018 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on 19 July 2018. The employee stock option plan is designed to provide incentives to the employees of the Company and for its subsidiaries to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Compensation Committee of the Board. Participation in the plan is at the Compensation Committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Compensation Committee of the Company has approved grant with related vesting conditions. Vesting of the options would be subject to continuous employment with the Company and hence the options would vest with passage of time. In addition to this, the Compensation Committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable over period of eight years from the date of vesting or such period as may be decided by the Compensation Committee at its sole discretion from time to time. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share.

Set out below is a summary of options granted under the plan to employees of the Company and its subsidiaries

Particulars	For the year ended 31 March			
	2025		2024	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	1,061.89	13,742,728	919.46	11,906,351
Granted during the year	1,655.29	4,281,259	1,334.76	3,896,587
Exercised during the year	792.51	2,424,221	674.54	1,789,915
Forfeited during the year	1,429.48	430,470	1,286.94	270,295
Closing balance	1,261.98	15,169,296	1,061.89	13,742,728
Weighted average remaining contractual life of options outstanding at the end of the year		4.79		4.88
Vested and exercisable		6,958,721		6,169,404

No options expired during the years mentioned in above table

The weighted average share price during the year ended 31 March 2025 was ₹ 1,700.94 (31 March 2024 - ₹ 1,553.30).

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

**38 Share-based payments (Employee stock option plan)** (Contd.)**Weighted average fair value of options granted****Current year**

Grant date	26 April 2024	20 June 2024
Vesting period	1 to 4 years	1 to 2 years
Weighted average fair value per option	₹ 322.88 ~ ₹ 726.90 per option	₹ 433.75 ~ ₹ 498.94 per option

**Previous year**

Grant date	27 April 2023	15 September 2023
Weighted average fair value per option	₹ 401.01 ~ ₹ 619.67 per option	₹ 334.55 ~ ₹ 683.39 per option

The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2025 and 31 March 2024 included

Grant	Tranche XI	Tranche XII
a) options are granted for no consideration and vesting period is	1 to 4 years	1 to 2 years
b) exercise price	₹ 1,655.55 per option	₹ 1,594.90 ~ ₹ 1,599.65 per option
c) grant date	26 April 2024	20 June 2024
d) share price at grant date	₹ 1,655.55	₹ 1,594.90 ~ ₹ 1,599.65
e) expected price volatility of the Company's shares	25.19%~37.66%	26.66%~28.73%
f) expected dividend yield	0.05%	0.05%
g) risk-free interest rate	7.03%~7.11%	6.87%

Grant	Tranche VIII	Tranche IX	Tranche X
a) options are granted for no consideration and vesting period is	1 to 4 years	1 to 4 years	1 to 4 years
b) exercise price	₹ 1,507.31 per option	₹ 1,334.70 per option	₹ 1,550.90 per option
c) grant date	02 August 2022	27 April 2023	15 September 2023
d) share price at grant date	₹ 1,522.42	₹ 1,360.00	₹ 1,538.10
e) expected price volatility of the Company's shares	35.30%~43.40%	32.12%~34.10%	29.64%~37.94%
f) expected dividend yield	0.03%	0.03%	0.03%
g) risk-free interest rate	6.42%~7.00%	6.78%~6.93%	6.99%~7.06%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

## Notes to standalone financial statements for the year ended 31 March 2025 (Contd.)

### 39 Other notes

- a. The Company has performed an assessment to identify transactions with struck off companies as at 31 March 2025 and no such company was identified.
- b. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediaries shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- d. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- f. Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

### 40 Events after reporting date

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

### 41 Miscellaneous

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

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

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP  
Chartered Accountants  
(formerly Khimji Kunverji & Co LLP)  
ICAI Firm Registration Number: 105146W/W100621

Ramandeep Singh Sahni Chief Financial Officer	Sanjiv Bajaj Chairman & Managing Director DIN: 00014615
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Ketan S Vikamsey  
Partner  
ICAI Membership Number: 044000

Uma Shende Company Secretary	Dr. Naushad Forbes Chairman-Audit Committee DIN: 00630825 Place: London
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Pune: 29 April 2025





Rooted in Purpose. Growing with Time.

For over a century, our purpose has been our guide – nation building, empowering communities, building trust and creating financial resilience.

As the world transforms, so do we – blending legacy with innovation, experience with agility.

With deep roots and a clear vision, we're not just keeping pace with change – we're shaping it. Because while time moves forward, purpose keeps us grounded and growing.

### **Bajaj Finserv Limited**

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<https://www.aboutbajajfinserv.com/about-us>