

# **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

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



## 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

Reserves and surplus											Other comprehensive income			Total non-controlling interest	Total
Note No.	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	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				
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		
	-	-	-	-	-	-	-	8,147.79	-	-	8,147.79	7,447.57	15,595.36		
	-	-	-	-	-	-	-	(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		
	4,518.87	-	-	-	-	-	-	-	-	-	4,518.87	4,280.57	8,799.44		
	(17.73)	-	-	-	-	-	-	-	-	-	(17.73)	(16.81)	(34.54)		
	462.77	-	-	-	-	-	-	-	-	-	462.77	217.98	680.75		
	-	-	1,299.00	5712	-	-	-	(1,356.12)	-	-	-	-	-		
	-	-	-	-	120.66	-	-	(120.66)	-	-	-	-	-		
	-	-	-	-	-	-	-	(127.43)	-	-	(127.43)	(1,079.38)	(1,206.81)		
	-	-	-	-	-	250.94	-	-	-	-	250.94	214.35	465.29		
	(1.86)	-	-	-	-	(96.03)	-	1.86	-	-	(96.03)	(54.71)	(150.74)		
	-	-	-	-	-	-	13.17	-	-	-	13.17	(0.53)	12.64		
	94.17	-	-	-	-	-	-	-	-	-	94.17	-	94.17		
	-	6.35	-	-	-	(6.35)	-	-	-	-	-	0.53	0.53		
	-	-	-	-	-	-	-	(1.23)	-	-	(1.23)	1.15	(0.08)		
	(202.12)	(9.08)	(88.63)	(3.76)	(3.45)	(6.38)	-	(384.51)	0.93	0.12	(696.88)	696.88	-		
	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		
	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		

## 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		-	-	-	-	-	-	-	-	577.75	2.24
Share issue expenses		-	-	-	-	-	-	-	-	(0.06)	(0.12)
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		-	-	-	-	-	-	-	-	-	-
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		-	-	-	-	-	-	-	-	-	-
Transfer to Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961		-	1,713.86	-	-	-	(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	39.30
Transfer on cancellation of stock options		-	-	-	-	-	-	-	-	-	-
Adjustment for change of ownership interest in subsidiary without loss of control		-	-	-	-	-	-	-	-	139.83	139.83
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)	0.04
Non-Controlling interests of subsidiaries		-	4.96	0.21	-	-	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		-	-	-	-	-	-	-	-	-	-
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2025		-	-	-	-	-	-	-	-	-	-
<b>Balance as at 31 March 2025</b>	27	<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>72,185.51</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

Sanjiv Bajaj  
Chairman & Managing Director  
DIN: 00014615

Ramandeep Singh Sahni  
Chief Financial Officer

Dr. Naushad Forbes  
Chairman-Audit Committee  
DIN: 00630825  
Place: London

Uma Shende  
Company Secretary

## Consolidated Statement of Cash Flows

Particulars	(₹ In Crore)	
	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

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 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

## 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.

Name of the Company	Country of incorporation	% Shareholding of Bajaj Finserv Ltd.	Consolidated as
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

Particulars	(₹ In Crore)	
	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

Particulars	(₹ In Crore)	
	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

Particulars	(₹ In Crore)	
	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

(₹ In Crore)

Particulars	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

(₹ In Crore)

Particulars	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#</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#</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>

#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	Based on Management judgment			100%	Based on management judgment
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				

## 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>	67.00	300.00
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	
				Outstanding as at 31 March 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 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	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
b Reporting period for the subsidiary	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
c Paid-up share capital			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													
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	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
g Investments	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
h Turnover	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
i Profit before tax	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)
j Provision for tax	518.49	(104.20)	5,014.59	607.33	44.57	-	-	0.64	(14.25)	(1.87)	0.54	0.01	-
k Profit after 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)
l Proposed dividend **	0%	0%	2800%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
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