

27 June 2024

To Corporate Relations Department. BSE Limited 1st Floor, New Trading Ring, Rotunda Building, P J Tower, Dalal Street, Fort, Mumbai 400 001 BSE Code: 532978	To Corporate Listing Department. National Stock Exchange of India Ltd Exchange Plaza, 5th Floor Plot No.C-1, G Block, Bandra-Kurla Complex, Bandra (East), Mumbai 400 051 NSE Code: BAJAJFINSV
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Dear Sir/Madam,

Sub: Annual Report for FY2024 and Notice of 17th Annual General Meeting ('AGM')

This is further to our letter dated 26 April 2024, wherein the Company had informed that the AGM of the Company is scheduled to be held on Wednesday, 24 July 2024.

Pursuant to Regulation 34(1) read with Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith following documents for FY2024, as circulated to the shareholders today through electronic mode:

- Notice of 17th AGM scheduled to be held on Wednesday, 24 July 2024 at 12:15 p.m. at Hotel Hyatt Regency, Viman Nagar, Pune – 411014; and
- Annual Report (including Business Responsibility and Sustainability Report) for FY2024.

The aforesaid documents are also available on Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports> and on the website of E-voting service provider viz., KFin Technologies Limited at <https://evoting.kfintech.com>.

The Company is in process of dispatching the aforementioned documents to shareholders who have not registered their email IDs, as required by law.

Kindly take the same on record.

Thanking you,
Yours faithfully
FOR BAJAJ FINSERV LIMITED

UMA SHENDE
COMPANY SECRETARY
Email ID: investors@bajajfinserv.in
Encl.: As Above

BAJAJ FINSERV LIMITED

<https://www.aboutbajajfinserv.com/about-us>

BAJAJ FINSERV LIMITED

(CIN: L65923PN2007PLC130075)

Registered Office:

Bajaj Auto Ltd. Complex,

Mumbai-Pune Road,

Pune – 411 035

E-mail ID: investors@bajajfinserv.inWebsite: <https://www.aboutbajajfinserv.com/about-us>

Tel No.: (020) 7157 6064

Fax No.: (020) 7150 5792

Notice of 17th Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the members of Bajaj Finserv Ltd. ('BFS' or the 'Company') will be held on Wednesday, 24 July 2024 at 12.15 p.m. IST at Hotel Hyatt Regency, Viman Nagar, Pune – 411014 (hereinafter referred to as 'AGM') to transact the following:

ORDINARY BUSINESS:

1. To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2024, together with the Directors' and Auditors' Reports thereon.
2. To declare a dividend of ₹ 1 per equity share of face value of ₹ 1 for the financial year ended 31 March 2024.
3. Madhur Bajaj (DIN: 00014593), director liable to retire by rotation, who does not seek re-election.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT in accordance with the provisions of section 152 and any other applicable provisions of the Companies Act, 2013, (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, Madhur Bajaj (DIN: 00014593), a director liable to retire by rotation, who does not seek re-election, be not re-appointed as a director of the Company.

RESOLVED FURTHER THAT the vacancy, so created on the Board of Directors of the Company, be not filled."

SPECIAL BUSINESS:

4. Ratification of remuneration payable to Dhananjay V Joshi & Associates, Cost Auditor (Firm Registration Number: 000030) for FY2025.

To consider, and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the members hereby ratify the remuneration of ₹ 70,000 (Rupees seventy thousand only) plus applicable taxes, out-of-pocket, traveling, and living expenses incurred in connection with the audit, payable to Dhananjay V Joshi & Associates, Cost Accountants (Firm Registration Number:000030), who have been appointed by the Board of Directors on the recommendation of the Audit Committee, as the Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the FY2025."

By order of the Board
For **Bajaj Finserv Ltd.**

Sd/-
Uma Shende
Company Secretary
Membership No.: A38364

Place: Pune
Date: 26 April 2024

NOTES

Proxy related information:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, AT THE MEETING INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS UP TO AND NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. PROVIDED THAT, A MEMBER HOLDING MORE THAN TEN PERCENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS PROXY FOR ANY OTHER PERSON OR MEMBER. THE INSTRUMENT APPOINTING PROXY MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME OF COMMENCEMENT OF THE MEETING. IN THIS NOTICE, THE TERM MEMBER(S) OR SHAREHOLDER(S) ARE USED INTERCHANGEABLY.
2. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, members would be entitled to inspect the proxies lodged, at any time during the business hours of the Company, provided not less than 3 days' written notice is given to the Company.

Dividend related information:

3. The Board of Directors, at its meeting held on 26 April 2024, has recommended dividend of ₹ 1 per equity share of the face value of ₹ 1 for FY2024, for the approval of members at the 17th Annual General Meeting ('AGM').
4. Pursuant to the provisions of regulation 42 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the Company has fixed Friday, 21 June 2024 as the 'Record Date' for the purpose of determining the members eligible to receive dividend for FY2024.
5. Subject to the provisions of section 126 of the Companies Act, 2013 (the 'Act'), dividend on equity shares, if declared, at the AGM, will be credited/dispatched on or about Friday, 26 July 2024 or Saturday, 27 July 2024 to all those members holding shares as on closing hours on Record date.
6. SEBI, vide its circular dated 16 March 2023 read with circular dated 17 November 2023 mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN (Aadhar seeded) or choice of nomination or contact details or mobile number or bank account details or specimen signature updated, shall be eligible for payment of dividend in respect of such folios, only through electronic mode with effect from 1 April 2024, upon furnishing all the aforesaid details in entirety. Further, the Company will not dispatch the physical instrument such as banker's cheque or demand draft for the payment of dividend to the members holding shares in physical form as on record date.
7. As per the SEBI Listing Regulations and pursuant to SEBI circular dated 20 April 2018, a listed entity shall use any electronic mode of payment approved by the Reserve Bank of India for making payment to the members. Accordingly, dividend, if declared will be paid through electronic mode, where the bank account details of the members are available. Where dividend is paid through electronic mode, intimation regarding such remittance will be sent separately to the members. In case of members holding shares in demat mode and where the dividend could not be processed through electronic mode, payment will be made through physical instrument such as banker's cheque or demand draft incorporating bank account details of such members.
8. To ensure timely credit of dividend through electronic mode, members are requested to keep their latest bank account details updated with their respective Depository Participant ('DPs') and Company's Registrar and Share Transfer Agent viz., KFin Technologies Limited ('KFin') in case they hold shares in physical mode.
9. For any queries regarding tax on dividend, members are requested to refer the note under Sr. No. 31.

PAN, KYC details and nomination update:

10. SEBI has mandated that any service request from members holding securities in physical mode shall be entertained only upon registration of the PAN, KYC details and nomination. Members are requested to submit Form ISR-1/SH-13 or ISR-3, as may be applicable, duly filled and signed along with self-attested copy of the PAN card and such other documents as prescribed in the Forms, to register or update:
 - a. PAN, KYC details and nomination.
 - b. E-mail address to receive communication through electronic means.

The said forms are available on the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-forms> and on the website of KFin at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

Members have an option to submit duly filled Forms in person at any of the branches of KFin, details of which are available at <https://www.kfintech.com/contact-us/> or submit e-signed form online along with requisite documents by accessing the link <https://kprism.kfintech.com/> or original copy of physical forms can be sent through post or courier at following address:

KFin Technologies Ltd.
Unit: Bajaj Finserv Ltd.
Selenium Building, Tower-B, Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi
Telangana-500 032
Toll free no.: 1800 309 4001.

To mitigate unintended challenges on account of freezing of folios, SEBI vide its circular dated 17 November 2023, has done away with the provision regarding freezing of folios and referral of the frozen folio to administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002, not having PAN, KYC, and nomination details.

11. SEBI has also released a Frequently Asked Questions ('FAQs') in respect of various service request including the payment of dividend. The copy of said FAQs is hosted on Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/sebi-faqpdf?scl=1&fmt=pdf>.
12. Members holding shares in dematerialised mode, who have not registered/updated their PAN, KYC details and nomination are requested to register/update the same with the respective DPs.

Inspection of documents:

13. The following statutory registers of the Company, will be open for inspection by members at the registered office as well as at the corporate office of the Company from Monday to Friday from 10.00 a.m. to 12.30 p.m., except holidays up to the date of AGM and also at the AGM. The following shall remain open for inspection as per the period specified above and be accessible to any member during the continuance of the meeting:
 - a. Register of contracts or arrangements in which directors are interested under section 189 of the Act; and
 - b. Register of directors and key managerial personnel and their shareholding under section 170 of the Act.

Further, a certificate from Secretarial Auditor of the Company certifying that the Bajaj Finserv Limited Employee Stock Option Scheme of the Company is being implemented in accordance with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 will also be accessible to any member during the continuance of the annual general meeting.

IEPF related information:

14. In terms of section 124(5) of the Act, dividend amount for FY2017, remaining unclaimed for a period of 7 years, shall be transferred in September 2024 to the Investor Education and Protection Fund ('IEPF') established by the Central Government. Further, in terms of section 124(6) of the Act, in case of such shareholders whose dividends are unpaid for a continuous period of 7 years, the corresponding shares shall also be transferred to the IEPF's demat account.

Members who have not claimed dividends from FY2017 onwards are requested to approach the Company/KFin for claiming the same as early as possible, to avoid transfer of the said shares to the IEPF's demat account.

Instructions for members/proxies:

15. Members/proxies are requested to bring the attendance slip duly filled and signed along with the identity proof at the meeting for the purpose of identification.
16. Route map for directions to the venue of the meeting is provided in this Notice and is also available on the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.
17. To avoid fraudulent transactions, the identity/signature of the members holding shares in electronic/demat form is verified with the specimen signatures furnished by NSDL/CDSL and that of members holding shares in physical form is verified as per the records of the KFin/Company. Members are requested to keep the same updated.
18. In case of joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote at the meeting.
19. In case a person becomes a member of the Company after dispatch of AGM Notice, and is a member as on the cut-off date for e-voting, i.e., Wednesday, 17 July 2024 (end of day), such member may obtain the user ID and password from KFin by sending request on evoting@kfintech.com from registered e-mail ID. In case the e-mail ID is not registered, such members, subject to procedure listed at Sr. No. 10 & 12, may obtain the necessary details.

General Information:

20. A Statement setting out material facts pursuant to the provisions of section 102(1) of the Act, in respect of special business set out at Item No. 4 of the Notice is annexed hereto.
21. Institutional/Corporate shareholders (i.e., other than individuals/HUF, NRI, etc.) are required to send a scanned copy (pdf/jpg format) of its board or governing body's resolution/authorisation, etc., authorising their representative to attend the AGM on its behalf and to vote through remote e-voting. The said resolution/authorisation shall be sent to the scrutiniser by e-mail through its registered e-mail address to cssdlimaye@gmail.com.
22. Sections 101 and 136 of the Act, read together with the rules made thereunder, permit the listed companies to send the Notice of AGM and the Annual Report, including financial statements, Directors' Report, etc., by electronic mode. The Company is accordingly forwarding soft copies of the above referred documents to all those members, who have registered their e-mail addresses with their respective depository participants or with KFin. Members may note that Annual Report 2023-24 and Notice along with proxy form and attendance slip will also be available on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>, website of the Stock Exchanges i.e. BSE Ltd. at www.bseindia.com and National Stock Exchange of India Ltd. at www.nseindia.com and on the website of KFin at <https://evoting.kfintech.com>.
23. For members who have not registered their e-mail address, physical copy of Annual Report along with Notice of AGM, proxy form and attendance slip (inclusive remote e-voting credential) are sent at their registered address available with Company/KFin.
24. For more details on shareholders' matters, please refer to the chapter on 'General Shareholder Information', included in the Annual Report.
25. Members may reach out at the contact details mentioned below for addressing e-voting related grievances:

Mr. Mohd. Mohsin Uddin,
Senior Manager,
KFin Technologies Ltd.
Unit: Bajaj Finserv Ltd.
Selenium Building, Tower-B, Plot No. 31 & 32, Financial District,
Nanakramguda, Serilingampally, Hyderabad, Rangareddi
Telangana-500 032
Toll free no.: 1800 309 4001
E-mail ID: einward.ris@kfintech.com

26. The Board of Directors have appointed Shyamprasad D Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572) as the Scrutiniser to scrutinise the e-voting process and voting at the AGM in a fair and transparent manner.
27. The Scrutiniser shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses, not in the employment of the Company and make a consolidated Scrutinisers' report of the total votes cast in favour or against, if any, within prescribed timelines and provide the same to the Chairman or any person so authorised by him, who shall countersign the same and declare the result thereof.
28. The results declared along with the Scrutiniser's report shall be placed on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-stock-exchange-filings> and on the website of KFin at <https://evoting.kfintech.com/> and shall also be communicated to the stock exchanges.
29. Members attending the AGM in person shall be counted for the purpose of reckoning the quorum under section 103 of the Act.

E-voting related instructions:

A. Voting through electronic means:

- i. In terms of the provisions of section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, as amended (hereinafter called 'the Rules' for the purpose of this section of the Notice), regulation 44 of the SEBI Listing Regulations and in terms of SEBI Master circular dated 11 July 2023 in relation to e-voting facility to be provided by Listed Entities, the members are provided with the remote e-voting facility to exercise votes on the items of business given in the Notice, through the e-voting services provided by KFin or to vote at the AGM.
- ii. The members, whose names appear in the Register of members/list of Beneficial Owners as on Wednesday, 17 July 2024 (end of day), being the cut-off date fixed for determining voting rights of members, are entitled to participate in the e-voting process. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
- iii. Members can cast their vote through remote e-voting from Sunday, 21 July 2024 (9:00 a.m.) till Tuesday, 23 July 2024 (5:00 p.m.). Voting beyond the said date shall not be allowed and the remote e-voting facility shall forthwith be blocked.
- iv. Alternatively, members holding securities in physical mode and are KYC compliant may reach out on toll free number 1800 309 4001 or may write email from the registered e-mail ID to evoting@kfintech.com for obtaining User ID and password.
- v. The details of the process and manner for remote e-voting are explained herein below:

I) Login method for remote e-voting for individual shareholders holding securities in demat mode:

Pursuant to section VI-C of the SEBI Master circular dated 11 July 2023 pertaining to 'e-voting facility provided by Listed Companies', e-voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts/websites of Depositories/registered Depository Participants ('DPs') in order to increase the efficiency of the voting process. Individual demat account holders would be able to cast their vote without having to register again with the e-voting service provider ('ESP') thereby facilitating not only seamless authentication but also ease and convenience of participating in e-voting process.

Members are advised to update their mobile number and email address with their DPs in order to access e-voting facility.

Login method for Individual shareholders holding securities in Demat mode is given below:

Type of Shareholder	Login Method
Individual shareholders holding securities in demat mode with NSDL	<p>A. User already registered for NSDL IDeAS facility:</p> <ol style="list-style-type: none"> Open web browser and type the following URL: https://eservices.nsd.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under “IDeAS” section. A new screen will open. Enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting” under e-voting services and you will be able to see e-voting page. Click on options available against Company name or e-voting service provider - KFintech and you will be re-directed to e-voting service provider’s website for casting your vote during the e-voting period. <p>B. User not registered for IDeAS e-Services:</p> <p>Option to register is available at https://eservices.nsd.com Select “Register Online for IDeAS” Portal or click at https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp and proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p> <p>C. By visiting the e-voting website of NSDL:</p> <ol style="list-style-type: none"> Visit the e-voting website of NSDL. Open web browser and type the following URL: https://www.evoting.nsd.com/. either on a Personal Computer or on a mobile. Once the home page of e-voting system is launched, click on the “Login” icon, available under the “Shareholder/Member” section. A new screen will open. Enter your User ID (i.e., your 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on options available against Company name or e-voting service provider - KFintech and you will be re-directed to e-voting service provider’s website for casting your vote during the e-voting period. <p>D. NSDL Speede</p> <p>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</p>



Type of Shareholder	Login Method
Individual shareholders holding securities in demat mode with CDSL	<p>A. Existing user who have opted for Easi/Easiest:</p> <ol style="list-style-type: none"> Open web browser and type: www.cdslindia.com and click on login icon and select New System Myeasi. Shareholders can login through their existing user ID and password. Option will be made available to reach e-voting page without any further authentication. After successful login on Easi/Easiest, the user will also be able to see the e-voting menu. The menu will have links of ESPs. Click on KFintech to cast your vote. <p>B. User not registered for Easi/Easiest Option to register for Easi/Easiest is available at www.cdslindia.com, proceed with completing the required fields. After successful registration, please follow the steps given above to cast your vote.</p> <p>C. By visiting the e-voting website of CDSL:</p> <ol style="list-style-type: none"> The user can directly access e-voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com The system will authenticate the user by sending OTP on registered Mobile and email address as recorded in the demat Account. After successful authentication, user will be able to see the e-voting option where the e-voting is in progress and will also be able to directly access the system of e-voting service provider, i.e., KFintech.
Individual Shareholders (holding securities in demat mode) logging through their depository participants	<ol style="list-style-type: none"> Shareholders can also login using the login credentials of their demat account through their Depository Participant registered with NSDL/ CDSL for e-voting facility. Once logged-in, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/ CDSL website after successful authentication, wherein you can see e-voting feature. Click on option available against Company name or e-voting service provider- KFintech and you will be redirected to e-voting service provider's website for casting your vote during the remote e-voting period.

Important Note: Members who are unable to retrieve User ID/Password are advised to use Forget User ID or Forget Password option available at respective websites.

Helpdesk for Individual Shareholders holding securities in demat mode who need assistance for any technical issues related to login through Depository i.e., NSDL and CDSL:

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.com or call on toll free no.: (022) 4886 7000	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact on 1800 22 55 33

II) Login method for remote e-voting for shareholders other than individual shareholders holding securities in demat mode and shareholders holding securities in physical mode:

- Initial password is provided in the body of the e-mail. In case the e-mail ID is not registered, it is included in the attendance slip, which is sent along with [Notice](#).
- Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.
- Enter the login credentials i.e., User ID and Password. Your Folio No./DP ID Client ID will be your User ID.

However, if you are already registered with KFin for e-voting, you can use your existing User ID and password for casting your votes.

- iv. After entering the correct details, click on LOGIN.
- v. You will reach the password change menu wherein you are required to mandatorily change your password. The new password shall comprise minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi. You need to login again with the new credentials.
- vii. Upon successful login, the system will prompt you to select the EVENT i.e. Bajaj Finserv Ltd.
- viii. On the voting page, the number of shares (which represents the number of votes) held by you as on the cut-off date will appear.

If you desire to cast all the votes assenting/dissenting to the resolution, enter all shares and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total shareholding as on the cut-off date. You may also choose the option 'ABSTAIN', in which case, the shares held will not be counted under either head.

- ix. Members holding multiple folios/demat accounts may choose to vote separately for each folio/demat account.
- x. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution(s).
- xi. Corporate/institutional members (i.e., other than individuals, HUF, NRI, etc.) are required to send scanned image (PDF/JPG format) of certified true copy of relevant board resolution/authority letter etc. together with attested specimen signature of the duly authorised signatory(ies) who is/are authorised to vote, to the Scrutiniser through e-mail at cssdlimaye@gmail.com and may also upload the same in the e-voting module in their login. The scanned image of the above documents should be in the naming format 'BFS_EVENT No.'
- xii. In case of any queries/grievances, you may refer the Frequently Asked Questions (FAQs) for members and e-voting user manual available at the 'download' section of <https://evoting.kfintech.com> or call KFin on 1800 309 4001 (toll free).

B. Voting facility at AGM:

- a. In addition to the remote e-voting facility as described above, the Company has made voting facility available at the venue of the AGM through electronic voting system and members attending the meeting, who have not already cast their votes by remote e-voting, shall be able to exercise their right at the meeting.
- b. Members who have cast their votes by remote e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their vote again.

C. For members who receive the Notice of AGM in physical form:

Members holding shares either in demat or physical mode who are in receipt of the Notice in physical form, may cast their votes using the e-voting facility for which the User ID and initial password are provided in the attendance slip sent along with this Notice. Members are requested to follow steps as prescribed under point II of heading A above to vote through e-voting platform.

30. Live Webcast of AGM:

Pursuant to regulation 44(6) of the SEBI Listing Regulations as amended, the Company is providing the facility of one-way live webcast of the proceedings of AGM. Members who are entitled to participate in the AGM can view the proceedings of AGM by logging on the e-voting website of KFin at <https://emeetings.kfintech.com/> using the secure login credentials provided for e-voting or using the registered mobile number and OTP option.

31. Taxation on Dividend:

Members may note that as per Income Tax Act, 1961, (the 'IT Act'), dividends paid or distributed by a Company shall be taxable in the hands of shareholders. Accordingly, the Company would be required to deduct applicable Tax at Source ('TDS') in respect of payment of approved dividend to its shareholders (resident as well as non-resident).

Resident Shareholders:

Tax shall be deducted at source under section 194 of the IT Act on the amount of dividend declared and paid by the Company during financial year 2024-25 as under:

Category of Shareholders	Applicable TDS rate
Individual Shareholder - Aggregate dividend amount is up to ₹ 5,000 during the Financial Year	0%
Submission of valid declaration in Form 15G (applicable to individuals) or Form 15H (applicable to individuals age of 60 years or more)	0%
As per section 206AA of the IT Act, In case <ul style="list-style-type: none"> • PAN is not submitted, or PAN is invalid; or • PAN is not linked with Aadhaar 	20%
In case shareholder is found Specified Person under section 206AB of the IT Act	20%
Submission of Lower or Nil TDS deduction certificate under section 197 of the IT Act	Rate provided in certificate
Other shareholders	10%

The Company would rely on the online functionality of the Income Tax Department to check the status of Specified person as well as PAN Aadhaar linking and shall accordingly determine the applicable TDS rate.

Further, if a shareholder has obtained a lower or Nil withholding tax certificate from the tax authorities and provides a copy of the same to the Company (TAN – PNEB05806D), tax shall be deducted on the dividend payable to such shareholder at the rate specified in the said certificate.

Non-resident Shareholders:

Tax is required to be deducted at source in case of non-resident shareholders in accordance with the provisions of section 195 of the IT Act at the rates in force. As per the relevant provisions of the IT Act, the tax shall be deducted at the rate of 20% or applicable rate plus applicable surcharge and health & education cess on the amount of dividend payable to the non-resident shareholders.

For Foreign Institutional Investors/Foreign Portfolio Investors shareholders, TDS will be deducted under section 196D read with section 206AB of the IT Act.

However, as per section 90 of the IT Act, non-resident shareholders have the option to be governed by the provisions of the Double Tax Avoidance Agreement ('DTAA') read with applicable Multilateral Instrument (MLI) provisions, if they are more beneficial to them.

A list of documents/declarations required to be provided by the resident shareholders and list of documents/ declarations required to claim the benefit of DTAA by the non-resident shareholders are being made available on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

Kindly note that the documents should be uploaded with KFin at <https://ris.kfintech.com/form15>.

No communication on the tax determination/ deduction shall be entertained after 5 July 2024.

The documents submitted by you will be verified by us and we will consider the same while deducting the appropriate taxes, if any, provided that these documents are in accordance with the provisions of the IT Act.

In addition to the above, please note the following:

- In case you hold shares under multiple accounts under different status/ category but under a single PAN, the highest rate of tax as applicable to the status in which shares held under the said PAN will be considered on the entire holding in different accounts.
- In case of joint shareholding, the withholding tax rates shall be considered basis the status of the primary beneficial shareholder.

It may be further noted that in case tax on dividend is deducted at a higher rate in the absence of receipt of any of the required details/ documents from the shareholders, the shareholders may consider filing their return of income and claiming an appropriate refund, as may be eligible. No claim shall lie against the Company for such taxes deducted.

The Company shall arrange to e-mail the soft copy of the TDS certificate, if applicable, to shareholders at the e-mail ID registered with DPs and KFin within the prescribed time as per IT Act. The amount of TDS can also be viewed in Form 26AS on the website of the Income Tax department of India at <https://www.incometax.gov.in/iec/foportal/>.

In the event of any income-tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Shareholder/s, such Shareholder/s will be responsible to indemnify the Company, and also provide the Company with all information/ documents and co-operation in any assessment/ appellate proceedings before the Tax/ Government authorities.

For further details and formats of declaration, please refer FAQs relating to above which are being made available on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

ANNEXURE TO NOTICE

STATEMENT SETTING OUT ADDITIONAL INFORMATION IN RESPECT OF ITEM NO.3 OF THE NOTICE

In accordance with the provisions of the Act and Articles of the Company, Madhur Bajaj (DIN: 00014593) is due to retire by rotation at the forthcoming Annual General Meeting ('AGM'). He has expressed his willingness to step down from the Company on account of health reasons and has informed that he will not be offering himself for re-election at the ensuing AGM. Accordingly, he will cease to be Non-Executive Director of the Company at the ensuing AGM scheduled to be held on 24 July 2024.

As per section 152(6)(e) of the Act, at the AGM at which a director retires, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

Shareholders may note that post the cessation of Madhur Bajaj, the Board will continue to be in compliance with the composition requirements under regulation 17(1) of the SEBI Listing Regulations. Therefore, in terms of regulation 17(1E) of the SEBI Listing Regulations, the Company is not required to fill the vacancy so created.

It is proposed to pass an express resolution in terms of section 152(7)(a) of the Act, to not fill the vacancy created.

The Nomination and Remuneration Committee and Board have taken note of the resignation letter of Madhur Bajaj, requirements of the law and have resolved, subject to approval of members, not to fill the resulting vacancy on the Board, post the cessation of Madhur Bajaj as a director after the conclusion of the 17th Annual General Meeting.

None of the directors or key managerial personnel or their relatives, except Madhur Bajaj is directly or indirectly concerned or interested, financially or otherwise, except to the extent of his shareholding, if any, in the Company.

The Board recommends this ordinary resolution set out in Item No. 3 of the Notice for consideration and approval of the members.

STATEMENT UNDER SECTION 102 OF THE ACT

Item No. 4 of the Notice relating to ratification of remuneration to Dhananjay V Joshi & Associates, Cost Auditor (Firm Registration Number: 000030) for FY2025

Pursuant to section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, as amended from time to time, the Company is required to have the audit of its cost records conducted by a cost accountant in practice.

In accordance with the above-mentioned provisions and on the recommendations of the Audit Committee, the Board of Directors, at their meeting held on 26 April 2024, appointed Dhananjay V Joshi & Associates (Firm Registration No. 000030), as Cost Auditor for conducting the Cost Audit for FY2025.

Dhananjay V Joshi & Associates (Firm Registration No. 000030) have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. They have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for previous years under the provisions of the Act.

Brief profile of the Cost Auditor is as follows:

Dhananjay V. Joshi & Associates is a firm of Cost & Management Accountants with standing of over 40 years. The firm is led by CMA Dr. Dhananjay Joshi who was honoured at the hands of his excellency Dr. A.P.J. Abdul Kalam, former President of India in recognition of his outstanding contribution to the profession of Cost & Management Accounting. The firm has seven partners and 40 + team members consisting of qualified cost accountants, semi qualified cost accountants, article students and administration staff. The firm has its head office in Pune and branch offices in Mumbai, Indore, Chennai, Delhi and Kolkata. The Firm has a large client base both in Public & Private sectors, multinational companies & almost in all industries and service segments. The Partners & the team members also carry out & participate in the projects of socio-economic significance beneficial for Indian economy & society at large.

Pursuant to section 148(3) of the Act read with the Companies (Audit and Auditors) Rules, 2014, on recommendation of the Audit Committee, the Board of Directors shall approve the remuneration payable to cost Auditor, which should be subsequently ratified by the members.

Considering the scope of work, the Board of Directors, at their meeting held on 26 April 2024, on recommendation of the Audit Committee, approved the remuneration of ₹ 70,000 (Rupees seventy thousand only) (₹ 70,000 for FY2024) plus taxes, out-of-pocket, travelling and living expenses for conducting the Cost Audit for FY2025.

The resolution contained in Item No. 4 of the Notice, accordingly, seeks members' ratification for the remuneration of Cost Auditor of the Company for FY2025.

None of the directors or key managerial personnel or their relatives are directly or indirectly concerned or interested, financially or otherwise, except to the extent of their respective shareholding, if any, in the Company.

The Board recommends this ordinary resolution set out in Item No. 4 of the Notice for consideration and approval of the members.

By order of the Board of Directors
For **Bajaj Finserv Ltd.**

Sd/-
Uma Shende
Company Secretary
Membership No.: A38364

Place: Pune
Date: 26 April 2024

ROUTE MAP TO VENUE OF THE MEETING



Scan using the camera app for iOS devices and google lens for android devices for the AGM venue

BAJAJ FINSERV LIMITED

(CIN: L65923PN2007PLC130075)

Registered Office: Bajaj Auto Limited Complex,

Mumbai-Pune Road, Pune, Maharashtra, India - 411 035

E-mail ID: investors@bajajfinserv.in

Website: <https://www.aboutbajajfinserv.com/about-us>

Tel No.: (020) 7157 6064 Fax No.: (020) 7150 5792

PROXY FORM

Form No. MGT-11

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

CIN : L65923PN2007PLC130075
 Name of the Company : Bajaj Finserv Limited
 Registered office : Bajaj Auto Limited Complex, Mumbai-Pune Road, Pune - 411 035
 Name of the member(s) : _____
 Registered address : _____
 E-mail ID : _____
 Folio No./Client ID/DP ID : _____

I/We, being the member(s) of _____ shares of the above named Company, hereby appoint:

- Name : _____ E-mail Id : _____
 Address : _____ Signature : _____ or failing him
- Name : _____ E-mail Id : _____
 Address : _____ Signature : _____ or failing him
- Name : _____ E-mail Id : _____
 Address : _____ Signature : _____

as my/our proxy to attend and vote, (on a poll) for me/us and on my/our behalf at the 17th Annual General Meeting of the Company, to be held on Wednesday, 24 July 2024 at 12:15 p.m. at the Hotel Hyatt Regency, Viman Nagar, Pune - 411 014 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Business to be transacted	For	Against
Ordinary Business			
1.	To consider and adopt the standalone and consolidated financial statements of the Company for the financial year ended 31 March 2024, together with the Directors' and Auditors' Reports thereon.		
2.	To declare a dividend of ₹1 per equity share of face value of ₹1 as final dividend for the financial year ended 31 March 2024.		
3.	Madhur Bajaj (DIN: 00014593), director liable to retire by rotation, who does not seek re-election.		
Special Business			
4.	Ratification of remuneration payable to Dhananjay V Joshi & Associates, Cost Auditor (Firm Registration Number: 000030) for FY2025.		

Signed this _____ day of _____ 2024.



Signature of member(s)

Signature of Proxy holder(s)

Notes:

- This form of proxy in order to be effective should be duly completed, signed, stamped and deposited at the registered office/corporate office of the Company, not less than 48 hours before commencement of the Meeting.
- As provided under regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, members may vote either for or against each resolution.

BAJAJ FINSERV LIMITED

(CIN: L65923PN2007PLC130075)
Registered Office: Bajaj Auto Limited Complex,
Mumbai-Pune Road, Pune, Maharashtra, India - 411 035
E-mail ID: investors@bajajfinserv.in
Website: <https://www.aboutbajajfinserv.com/about-us>
Tel No.: (020) 7157 6064 Fax No.: (020) 7150 5792

**ATTENDANCE SLIP
(17th Annual General Meeting)**

Folio No./DP ID Client ID :

Name and address :

Name(s) of joint holder(s), if any :

No. of shares held :

I/we certify that I/we am/are member(s)/proxy for the member(s) of the Company.

I/we hereby record my/our presence at the Annual General Meeting of the Company held on Wednesday, 24 July 2024 at 12:15 p.m. at Hotel Hyatt Regency, Viman Nagar, Pune - 411 014.

Full name of proxy (in case of proxy):

Signature of First holder/Proxy/
Authorised Representative-----
Signature of joint holder(s)**Notes:**

1. Please fill and sign this attendance slip and hand it over at the venue of the meeting.
2. Only members of the Company and/or their proxy will be allowed to attend the meeting.

E-VOTING**User who wishes to opt for remote e-voting may use the following login credentials:**

EVEN (E-voting Event No.)	User ID	Password
----------------------------------	----------------	-----------------

Note:

- Instructions for remote e-voting procedure are given in the Notice of Annual General Meeting.

CREATING TOMORROW'S INDIA TOGETHER

17th Annual Report
2023-2024



BAJAJ FINANCE LIMITED



BAJAJ ALLIANZ GENERAL INSURANCE COMPANY LIMITED



BAJAJ ALLIANZ LIFE INSURANCE COMPANY LIMITED



BAJAJ HOUSING FINANCE LIMITED



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

Creating Tomorrow's India Together

“Bajaj Finserv Ltd. (BFS) endeavours to be a financial services lifecycle partner to every Indian.

Through Bajaj Finance Ltd. (BFL) and Bajaj Housing Finance Ltd. (BHFL), it caters to the financing and lifestyle needs of almost every household in India. Through Bajaj Allianz General Insurance Company Ltd. (BAGIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC), it offers asset and family protection as well as pensions. Through Bajaj Finserv Mutual Fund, it offers opportunity to accumulate and manage wealth.

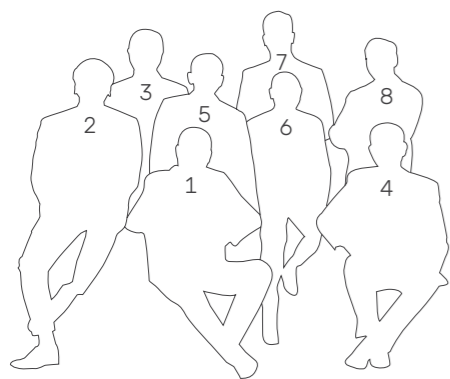
The success and brand of Bajaj Finserv is built through some key core and differentiating factors that run across all our businesses: customer obsession; ethos of honesty; an unwavering growth mindset; commitment to continuous transformation; and innovating to simplify.

We firmly believe that youth and children are integral to shaping a sustainable future. Hence, our social impact programmes are focused on building an equitable ecosystem for them through skilling, child education, child health, child protection and inclusion for people with disabilities.”

Sanjiv Bajaj

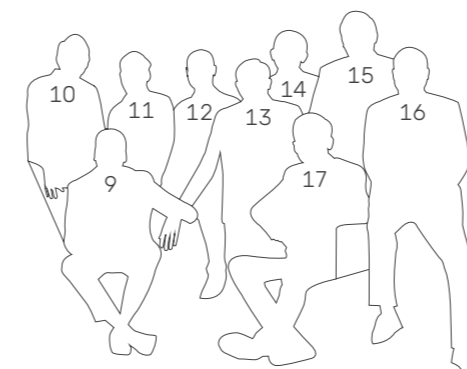
Chairman and Managing Director
Bajaj Finserv Ltd.

Our Leadership



- 1. Tapan Singhel**
Managing Director and CEO
Bajaj Allianz General
Insurance Co. Ltd.
- 2. Anish Amin**
President Group Risk,
Assurance & Human Resource
Bajaj Finserv Ltd.
- 3. Tarun Chugh**
Managing Director and CEO
Bajaj Allianz Life Insurance
Co. Ltd.
- 4. Sanjiv Bajaj**
Chairman and Managing
Director, Bajaj Finserv Ltd.

- 5. Devang Mody**
Whole Time Director and CEO
Bajaj Finserv Health Ltd.
- 6. Sam Subramaniam**
President Private Equity,
Investments & Group Strategy
Bajaj Finserv Ltd.
- 7. Ganesh Mohan**
Whole Time Director and CEO
Bajaj Finserv Asset
Management Ltd.
- 8. S Sreenivasan**
Chief Financial Officer, Bajaj
Finserv Ltd.



- 9. Rajeev Jain**
Managing Director
Bajaj Finance Ltd.
- 10. V Rajagopalan**
President (Legal and Taxation)
Bajaj Finserv Ltd.
- 11. Dr. N Srinivasa Rao**
Chief Economist and President
(Corporate Affairs)
Bajaj Finserv Ltd.
- 12. Kurush Irani**
President (CSR)
Bajaj Finserv Ltd.

- 13. Ashish Panchal**
Whole Time Director and CEO
Bajaj Finserv Direct Ltd.
- 14. Anup Saha**
Deputy Managing Director
Bajaj Finance Ltd.
- 15. Purav Jhaveri**
President (Investments),
Bajaj Finserv Ltd.
- 16. Manish Jain**
Managing Director, Bajaj
Financial Securities Ltd.
- 17. Atul Jain**
Managing Director
Bajaj Housing Finance Ltd.

Chairman's Letter



“

Bajaj Finserv endeavours to be a financial services lifecycle partner to every Indian.”

Sanjiv Bajaj

Chairman & Managing Director

Dear Shareholder,

Last year, I mentioned that Bajaj Finserv strives to be an entity where the whole is greater than the sum of its parts.

Let me reinforce this message further. Bajaj Finserv ('BFS' or the 'Company') is as much a holding company of large, mature companies with a long track record of success in their respective sectors such as BFL (Bajaj Finance Ltd.), BAGIC (Bajaj Allianz General Insurance Company Ltd.) and BALIC (Bajaj Allianz Life Insurance Company Ltd.), as much as it is about investing in capabilities required for the future as well as in new opportunities through our emerging businesses. These emerging businesses are not only new companies in the group, but also growing within existing companies. Your Company has been delivering value year on year and at the same time investing in its long-term. While doing so, it is balancing between the zeal of a young company and the maturity of a stable business underpinned by appropriate capital allocation.

Simply put, Bajaj Finserv endeavours to be a financial services lifecycle partner to every Indian. Through BFL and BHFL (Bajaj Housing Finance Ltd.), it caters to the financing and lifestyle needs of almost every household in India. Through BAGIC and BALIC, it offers asset and family protection as well as pensions. Through Bajaj Finserv Mutual Fund, it offers opportunity to accumulate and manage wealth.

What is the role of Bajaj Finserv in this? One, there is rigorous engagement through long-range planning, annual operating plans and regular review of businesses. Two, there is an institutionalised framework for capital allocation, risk management, and collaboration for cross-pollinating best practices in areas such as analytics, technology, risk and customer experience. The success and brand of Bajaj Finserv is built through some key core and differentiating factors that run across all our businesses: customer obsession; ethos of honesty; an unwavering growth mindset; commitment to continuous transformation; and innovating to simplify. These values are now ingrained into our culture wheel, which is the foundation of One Finserv - our talent management process that offers competent employees the opportunity to pursue their dreams.

BFS has grown in size over the years, which brings with it an additional responsibility of being fully compliant with regulatory regimes, both in letter and spirit. As always, BFS strives to be responsible while being fair to all stakeholders.

Let me take you through our emerging businesses first.

Bajaj Housing Finance Ltd. (BHFL)

- BHFL provides home loans, loans to developers and loans for commercial properties.
- Its AUM has grown over 25 times in 6 years. In this short span, it has grown its profit after tax (PAT) to ₹ 1,731 crore from just ₹ 10 crore in FY2018. It is today one of the largest private sector housing finance companies.

During FY2024,

- AUM increased by 32% to ₹ 91,370 crore.
- Net total income grew by 19% to ₹ 2,925 crore.
- Profit after tax (PAT) increased by 38% to ₹ 1,731 crore.

Bajaj Financial Securities Ltd. (BFSL)

- BFSL provides digital stock broking services to high net-worth individuals (HNIs) as well as retail customers.
- In FY2024, Bajaj Broking significantly broadened its reach to 41 locations and 45 branches, providing a comprehensive suite of services to almost 700,000 clients.

Bajaj Finserv Direct Ltd. (Bajaj Markets)

- Bajaj Finserv Direct Ltd. seeks to attract new-to-Finserv customers through the 'Bajaj Markets Website' – which attracts over 200 million annual visits, and the 'Bajaj Markets mobile app' which is available on Android and iOS with total installs of approximately 30 million.
- It also seeks to leverage the unique combination of domain knowledge in technology and financial services through the offering of select digital technology services externally.

Bajaj Finserv Health Ltd. (Bajaj Finserv Health)

- Bajaj Finserv Health offers a range of healthcare solutions and services, through its consumer facing app, covering wellness, outpatient (OPD) and inpatient (IPD) services.
- It provides a digital platform connecting providers of healthcare like doctors, hospitals and labs with consumers of healthcare and provides claims management services to payers of healthcare expenses such as Governments for their mass schemes, Insurance companies for their claims and employers for wellness and insurance programmes for their employees.
- Set up in 2020, Bajaj Finserv Health has built a network across the country of over 100,000 doctors, more than 5,000 diagnostic points and over 2,000 hospitals where outpatient transactions can be done on cashless basis.
- To complete its offering of services to providers and payers, in April 2024, Bajaj Finserv Health completed acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd. (VHC) at an enterprise value of ₹ 325 crore. VHC has vast experience in healthcare administration in India.

Bajaj Finserv Asset Management Ltd. (BFS AMC)

- BFS AMC, our mutual fund business, was set up to fulfil the flexible wealth management needs of customers investing through mutual funds. BFS AMC seeks to differentiate itself through a strategy built on Information, quantitative and behavioural edge and smart use of technology for its customers and distributors.
- Our newest business in the group, BFS AMC launched its first fund in July 2023.
- Within a year of receiving the final licence and in nine months from its first fund launch, BFS AMC became the 27th (of 44) largest AMC in India with an AUM of ₹ 9,552 crore as on 31 March 2024, and over 200,000 folios.

This brings me to the key results of our large, matured businesses.

Bajaj Finance Ltd. (BFL), Consolidated

- Customer franchise grew by 21% to 83.64 million.
- Number of new loans booked was 36.20 million.
- Number of customers on the Bajaj Finserv App was 52.41 million.
- Assets under management (AUM) increased by 34% to ₹ 330,615 crore.
- Net total income increased by 26% to ₹ 36,258 crore.
- Profit after tax (PAT) increased by 26% to ₹ 14,451 crore.

Bajaj Allianz General Insurance Company Ltd. (BAGIC)

- Gross written premium (GWP) was ₹ 20,630 crore in FY2024, a growth of 33%.
- BAGIC's market share including standalone health insurers on gross direct premium basis, stood at 7.3% in FY2024 – up from 6.4% in FY2023.
- The combined ratio was 99.9%.
- PAT for FY2024 was ₹ 1,550 crore with a growth of 15% despite NATCAT loss of ₹ 118 crore (before tax).
- AUM was ₹ 31,196 crore.
- Highest solvency ratio among comparable industry players at 349%.
- Some 38 million policies were issued in the year, versus about 28 million in FY2023.

Bajaj Allianz Life Insurance Company Ltd. (BALIC)

- Individual rated new business (IRNB) premium grew by 21% in FY2024 to ₹ 6,326 crore.
- BALIC's market share in the industry, in terms of IRNB, stood at 5.8% in FY2024 – up from 5.0% in FY2023.
- Gross written premium (GWP) increased by 18% to ₹ 23,043 crore.
- Net new business value (NBV) was ₹ 1,061 crore.
- AUM was ₹ 109,829 crore.
- Highest solvency ratio in the industry: 432%.
- Covered 21 million group lives in FY2024.

Bajaj Finserv, Consolidated

All-time high,

- Consolidated revenue of ₹ 110,383 crore.
- Consolidated profit after tax of ₹ 8,148 crore.

Thus, financially and operationally, your Company has done very well.

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

Bajaj Finserv, through its Certificate Programme in Banking, Finance, and Insurance (CPBFI), has presence across 410 colleges across 22 states. The programme has thus far transformed lives of over 53,000 students. CPBFI's commitment to excellence is underscored by its collaborations with national bodies such as National Skill Development Corporation (NSDC) and All India Council for Technical Education (AICTE) that enables students to earn a joint certification accredited by both Bajaj Finserv and Skill India.

We firmly believe that youth and children are integral to shaping a sustainable future. Hence, our social impact programmes are focused on building an equitable eco-system for them through skilling, child education, child health, child protection and inclusion for people with disabilities. More than 14 lakh beneficiaries were positively impacted through these programmes.

Through our partnership with Smile Train, we have aided over 70,000 cleft surgeries to date. As the next step, we have launched 'Maha Smiles – Cleft care for Every Child' initiative. This programme aims to identify, offer timely treatment to under privileged children affected by cleft conditions and spread awareness about it in Maharashtra.

My colleagues and I are very proud of these programmes as it highlights our core commitment of giving back to society.

Thank you for your continued commitment to Bajaj Finserv. I appreciate this greatly.

Sanjiv Bajaj

Chairman & Managing Director

Corporate Information

Board of Directors

Sanjiv Bajaj

Chairman & Managing Director

D J Balaji Rao

(up to 28 November 2023)

Dr. Naushad Forbes

Anami N Roy

Pramit Jhaveri

Radhika Haribhakti

Madhur Bajaj

Rajiv Bajaj

Manish Kejriwal

Risk Management Committee

Dr. Naushad Forbes

Chairman

Pramit Jhaveri

Sanjiv Bajaj

Anish Amin

Corporate Social Responsibility Committee

Dr. Naushad Forbes

Chairman

Anami N Roy

Sanjiv Bajaj

Duplicate Share Certificate Issuance Committee

Sanjiv Bajaj

Chairman

Rajiv Bajaj

Manish Kejriwal

Audit Committee

Dr. Naushad Forbes

Chairman

Pramit Jhaveri

Anami N Roy

Stakeholders Relationship Committee

Dr. Naushad Forbes

Chairman

Radhika Haribhakti

Sanjiv Bajaj

Nomination and Remuneration Committee

Anami N Roy

Chairman

Dr. Naushad Forbes

Radhika Haribhakti

Manish Kejriwal

Strategic Investment Committee

Pramit Jhaveri

Chairman

Anami N Roy

Radhika Haribhakti

Sanjiv Bajaj

Leadership Team**V Rajagopalan**

President (Legal & Taxation)

Anish Amin

President (Group Risk, Assurance & Human Resources)

Purav Jhaveri

President (Investments)

Dr. N Srinivasa Rao

Chief Economist & President (Corporate Affairs)

Kurush Irani

President (CSR)

Sam Subramaniam

President (Private Equity Investment & Group Strategy)

Rajeev Jain

Managing Director, Bajaj Finance Ltd.

Tapan Singhel

Managing Director & CEO, Bajaj Allianz General Insurance Company Ltd.

Tarun Chugh

Managing Director & CEO, Bajaj Allianz Life Insurance Company Ltd.

Atul Jain

Managing Director, Bajaj Housing Finance Ltd.

Manish Jain

Managing Director, Bajaj Financial Securities Ltd.

Anup Saha

Deputy Managing Director, Bajaj Finance Ltd.

Devang Mody

Whole time Director & CEO, Bajaj Finserv Health Ltd.

Ganesh Mohan

Whole time Director & CEO, Bajaj Finserv Asset Management Ltd.

Ashish Panchal

Whole time Director & CEO, Bajaj Finserv Direct Ltd.

Chief Financial Officer**S Sreenivasan****Company Secretary****Uma Shende****Statutory Auditor****KKC & Associates LLP****Secretarial Auditor****Shyamprasad D Limaye**

Practising Company Secretary

Cost Auditor**Dhananjay V Joshi & Associates**

Cost Accountants

Bankers**Deutsche Bank****Citibank N A****HDFC Bank****Registered Office**Bajaj Auto Ltd. Complex,
Mumbai - Pune Road,
Pune - 411 035**CIN: L65923PN2007PLC130075****Corporate Office**Bajaj Finserv House
Viman Nagar, Pune - 411 014**Registrar and Share Transfer Agent****KFin Technologies Ltd.**Unit: Bajaj Finserv Ltd.
Selenium Building, Tower-B,
Plot No 31 & 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy, Telangana, India - 500 032
Toll free no.1800 309 4001
Email ID: einward.ris@kfintech.com

Fulfilling India's Financial Needs

We believe this is India's moment - a vast and vibrant nation brimming with boundless energy.

At Bajaj Finserv, we are committed to making our nation financially resilient and strong. By actively contributing to financial inclusion, employability, social betterment and the environment.

Bajaj Finserv has been an enthusiastic participant in the digital revolution sweeping India.

1 in 7 Indians is our valued customer, making Bajaj Finserv a one-stop integrated solution for financial well-being of a billion-strong nation.

330+
Financial solutions

230+ million
Customers served

4,145 Locations

198,250 +
active distribution points
BFL's on-ground presence

200,000+
Insurance agents of BALIC
and BAGIC

4.19 crore
Lives covered (Individual & Group)
by BALIC

0.69 per **10,000**
policies issued

Lowest Grievance Ratio in industry of
BAGIC in 9 months FY2024 as per IRDA



Driving Financial Inclusion at Scale

We believe the business of financial services has a larger purpose. That of inclusion of the underserved into the nation's financial mainstream.

Loans, deposits, payments, insurance and investment solutions have the potential to enhance financial well-being and make people's lives better.

Bajaj Finserv companies have thus far brought millions into India's formal financial fold by increasing access to financial solutions and improving experiences from a customer standpoint.

23.6 million

New-to-credit customers brought into the financial mainstream by Bajaj Finance Ltd. in the last 6 years

100

Microfinance branches opened in deep geographies by Bajaj Finance in FY2024 alone

8.1 million

Account aggregator consents by BFL

13.5 million+

Farmers insured by Bajaj Allianz General Insurance Company in FY2024

0.92 MM+ downloads

of Farmitra App, launched for farmers



Adapting Emerging Technologies for Innovation

We have been high adopters of emerging technologies by leveraging Gen AI, optimising cloud technology, deploying next-generation cyber security, payment technologies, and augmented reality.

This is helping us accelerate digital transformation across our companies, improve consumer interface and processes for loans, deposits, claims, and investments.

It is also enabling us to reach people who would otherwise have no access to financial services.

For instance, Gen AI initiatives are deployed by Bajaj Finance across operations, service, and contact centres to enhance efficiencies and create personalised and better user experiences. The company is also leveraging the India Digital Stack extensively including Account Aggregator and ONDC.

Bajaj Allianz General Insurance Company took a pioneering step to simplify insurance complexities with the launch of its innovative 'Insurance Samjho' Gen AI-powered bot.

52.41 million
Net Bajaj Finserv app installs

₹11,700 crore
Personal loans disbursed on Bajaj Finserv app

24.78 million
Bajaj Finance UPI handles

95.6%
Digital payments accepted by Bajaj Allianz General Insurance for premium

950,000
Transactions completed with Bajaj Allianz Life Insurance App with 41% increase in unique users over previous year

~92%
Claims intimated via BAGIC's AI-powered AgriBOT (Kisaan Suvidha), for farmers

Creating Employment & Entrepreneurship for India's Youth

We aspire to create a more equitable and brighter future for today's Youth, because they are tomorrow's India. Social impact programmes at Bajaj Finserv have evolved over the years to focus on youth skilling, women empowerment, child health, education and protection. So far, Bajaj Finserv has transformed the lives of 2 million people.

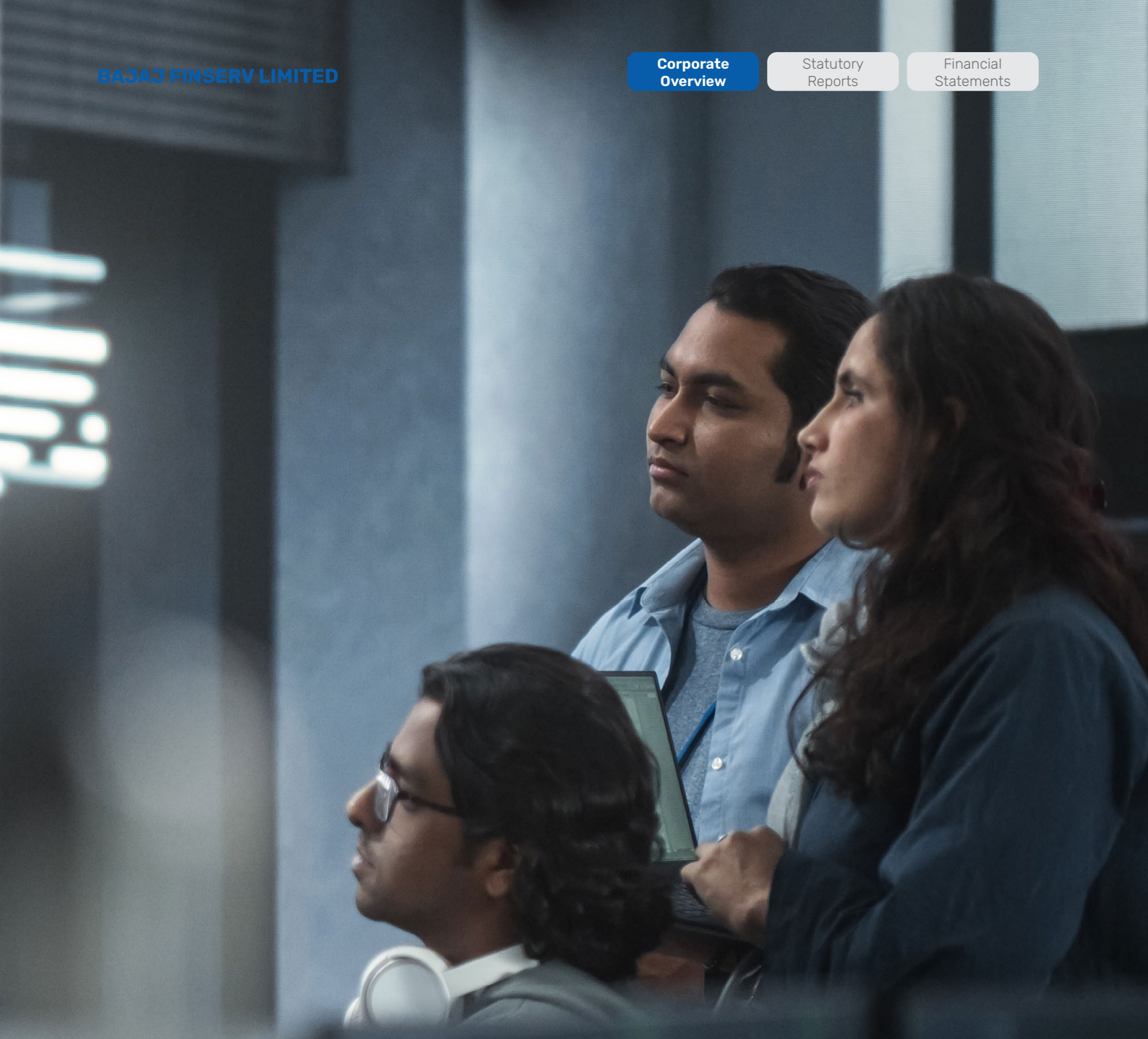
FY2024 was a momentous year. The larger Bajaj Group launched 'Bajaj Beyond', formalising and integrating corporate social responsibility programmes of all its companies under one brand identity – Bajaj Beyond. The Bajaj Group has committed to a spend of ₹ 5,000 crore over five years to youth skilling under Bajaj Beyond. As part of Bajaj Beyond, we aspire to jointly touch the lives of two crore youth in India through several skill development initiatives.

The launch of 'Bajaj Beyond' marked an acceleration and a turning point in Bajaj Finserv's very own flagship skilling programmes Certificate Programme in Banking, Finance & Insurance (CPBFI). What started in 2016 as a humble self-implemented skilling initiative to train young graduates for employment in the financial services sector is now gaining momentum with our partnership in FY2024 with the National Skill Development Council (NSDC) and AICTE, under the aegis of the Ministry of Education.

We are now taking CPBFI to several more colleges, benefitting thousands of young graduates and first-time job seekers.

This will help bridge the gap for skilled youth in financial services while helping India's growing number of graduates secure employment.





2 crore

Youth to be skilled for employment under Bajaj Beyond

₹5,000 crore

Bajaj Group's commitment to youth skilling and CSR over 5 years

53,000+

Students trained under Bajaj Finserv's CPBFI programme so far

66%

of CPBFI participants are first-generation graduates from tier 2/3 cities

70%

of CPBFI participants are women

Financial Solutions for Everyday Life

- Bajaj Finserv Health App
- Life Insurance
- Health Insurance
- Retirement and Pension plans

- Consumer Durable Loans
- SME loans
- Commercial lending
- Systematic Investment Plans
- Rural Loans

- Child Plans
- Home Loans
- Fixed Deposits
- Personal Loans
- Gold Loans

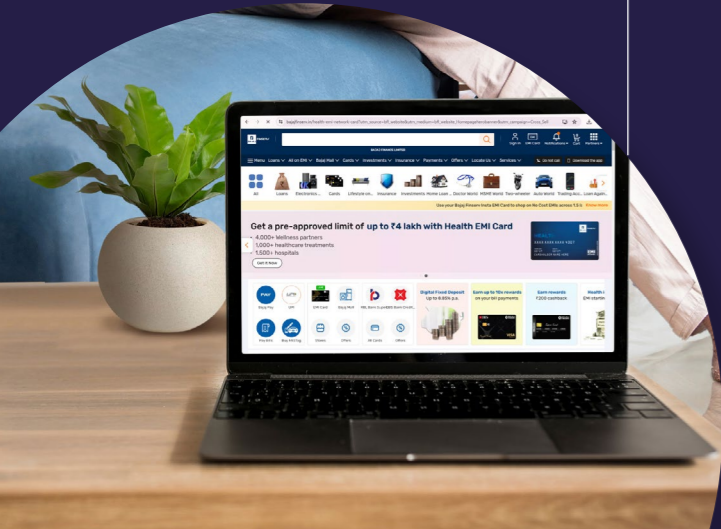
- Travel Insurance
- Education Loans
- Personal Accident Insurance

- Home Insurance
- Home Renovation Loans

Pet Insurance

- Motor Insurance
- Two-Wheeler Loans
- Car Loans

- Bajaj Finserv App Payments
- Broking and investment services
- Mutual Funds
- Pocket Insurance
- Business Loans



Our Purpose

A place where innovation, agility and ownership thrive, creating responsible leaders who build long-term profitable businesses, to delight our customers

Our Businesses

Diversified, agile, and continuously transforming through innovation

Financing, Deposits, Investments

Bajaj Finance

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

Protection

Bajaj Allianz General Insurance Company

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

Life Goals

Bajaj Allianz Life Insurance Company

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

Digital Financial Marketplace

Bajaj Finserv Direct

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

Home Finance

Bajaj Housing Finance

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

Mutual Funds

Bajaj Finserv Asset Management

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

Health-tech

Bajaj Finserv Health

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

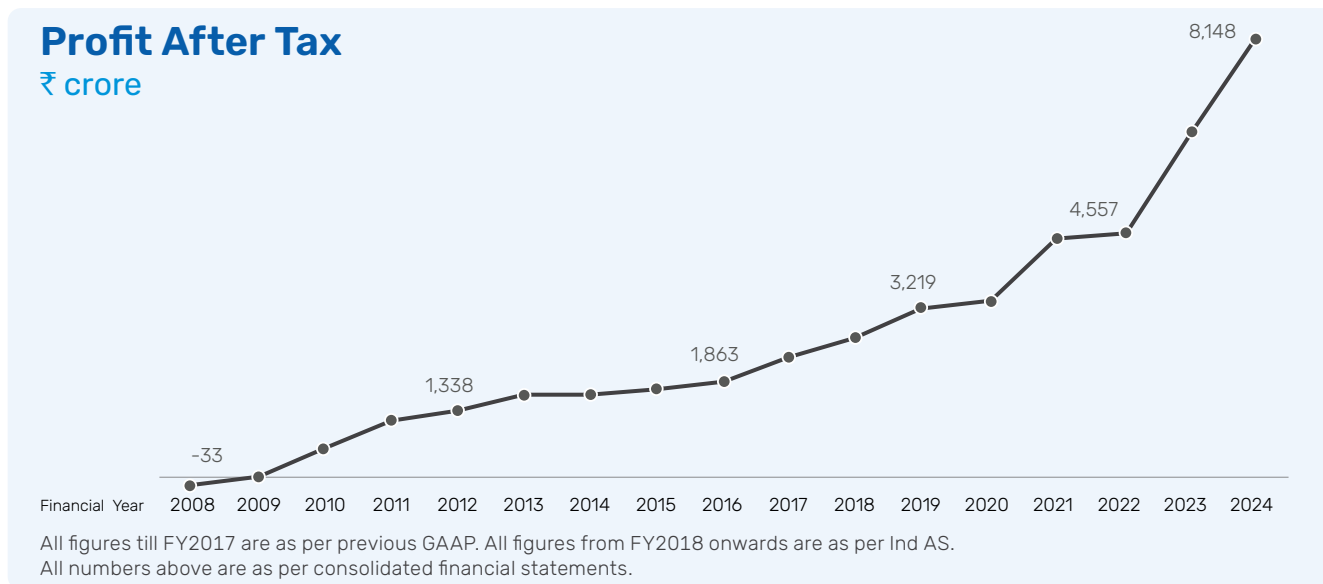
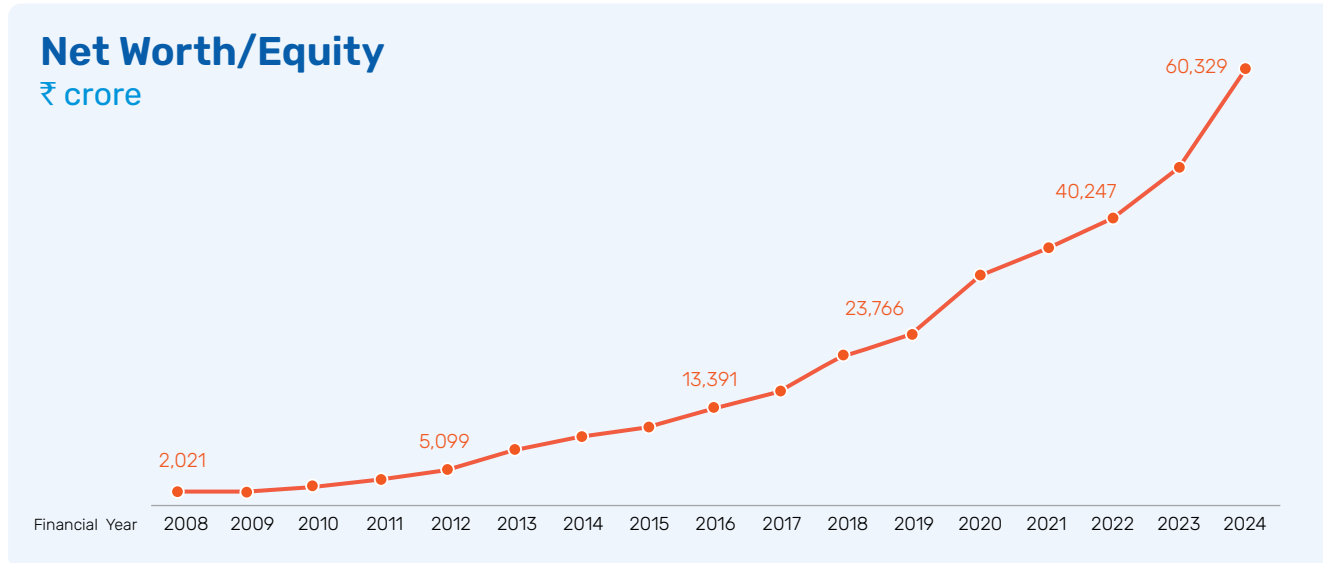
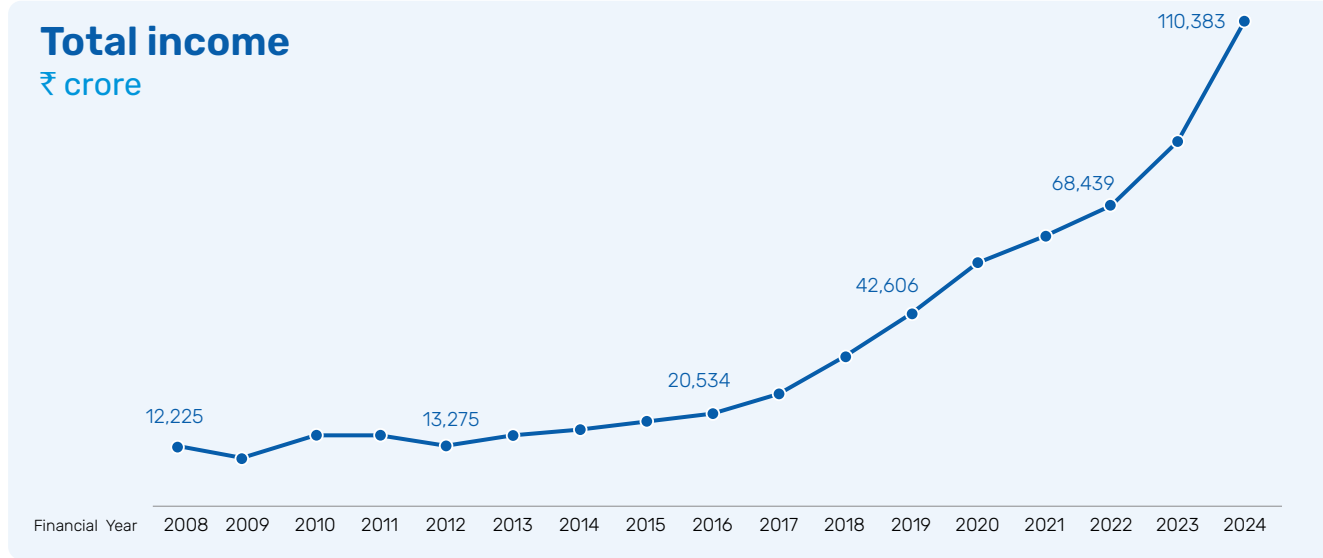
Digital Stockbroker

Bajaj Financial Securities

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

Strong Track Record

For 17 years, our businesses have evolved to cater to financial lifecycle needs of customers and to deliver value to stakeholders.



Our Year in Review

FY2024 was a remarkable year for the Bajaj Finserv group, with strong growth and performance across our businesses. Here are some key highlights:

₹110,383 crore

Bajaj Finserv's consolidated total income

₹8,148 crore

Bajaj Finserv's consolidated profit after tax

₹330,615 crore

Bajaj Finance's consolidated Assets Under Management

₹20,630 crore

Bajaj Allianz General Insurance's Gross Written Premium (GWP)

₹6,326 crore

Bajaj Allianz Life Insurance's Individual Rated New Business (IRNB)



Strong Growth. Many Milestones.

FY2024 saw our businesses achieve significant scale and set new benchmarks.

Bajaj Finserv

Consolidated revenue crossed ₹ 1 lakh crore (₹ 1 trillion)

Bajaj Finance

Assets Under Management crossed ₹ 330,000 crore

Bajaj Allianz General Insurance (BAGIC)

Emerged as the third-largest insurer with gross written premiums exceeding ₹ 20,000 crore

Bajaj Allianz Life Insurance (BALIC)

Continued to be the fastest-growing life insurer; Assets Under Management crossed ₹ 1 lakh crore (₹ 1 trillion)

Bajaj Housing Finance (BHFL)

Emerged as one of the leading home loan companies closing with an AUM exceeding ₹ 90,000 crore

Bajaj Finserv Asset Management

Garnered over ₹ 9,500 crore of assets in nine months

Bajaj Finserv Direct

Bajaj Technology Services offers digital-first solutions for BFSI businesses in 6 key areas: Adobe, Salesforce, Cloud, Gen AI, Data Analytics and Digital agency

Bajaj Finserv Health

Completed acquisition of Vidal Healthcare and with a full stack of Outpatient, Hospitalisation and Wellness services delivered digitally; now has the capability to participate in India's healthcare revolution

Creating Long-term Sustainable Value

Our Customers

Understanding their needs to create simpler, faster and enhanced experiences



Our People

Engaging and retaining good talent by creating opportunities for growth



Our Society and Environment

Our Environment, Social and Governance strategy rests on eight pillars to meet growing needs of communities and the planet



Our Shareholders

Driving responsible growth through a resilient business model

Our Customers

Agility to Match Scale

As one of India's leading financial services companies, we have made customer obsession the heart of our business proposition.

It means what's right for the customer is right for the company.

This ensures we continuously reinvent our customer value proposition to meet changing expectations and needs in an evolving business environment. In doing so, we encourage innovative and disruptive thinking, deploy digitalisation and Generative AI-powered solutions in lending, underwriting and claims processes, use emerging technologies to safeguard customers against cyber threats, thus providing them with seamless experiences across multiple channels.



33.3%

Bajaj Finance service requests initiated on app

3.14 million

Bajaj Finance's QRs at merchant PoS

27.54 million

Bajaj Finance Bill pay transactions

1.4 lakh active users

on Bajaj Allianz Life Insurance's Whatsapp Customer Bot

200 million

Annual visits at Bajaj Markets Website

99.23%

BALIC's Claim Settlement Ratio for FY2024

Our People

Creating Opportunities to Succeed

Our people are the soul of how we serve and protect our customers. They are in the forefront of meeting customer expectations, deploying technology, driving innovation, managing risk and working for the community. Our efforts, thus, are directed to creating a workplace that helps them thrive and succeed.

In FY2024, we made progress on the People front at a holistic level. We continued to build the talent and succession pipeline across management levels, empower employees to innovate, and equip talent with current and futuristic skills needed to accelerate our growth strategy.

Our leadership programmes were focused on establishing Bajaj Finserv's culture tenets, at the centre of which is the 'Founder Ethos', encouraging leaders to think like entrepreneurs. It represents long-term orientation and inspiring teams to work towards the larger, shared vision of the company. The 'Founder Ethos' culture tenet is made up of 4 leadership mindsets, and corresponding to these 4 behaviours. The mindsets are: Growth Mindset, Customer Obsession, Talent Builder and Being Responsible. The corresponding behaviours are: Continuous Transformation, Innovate to Simplify, Delegate and Develop, and Do the Right Thing.

92,000+
Colleagues

62%

Growth in overall movement of our people across Bajaj Finserv companies under our Internal Mobility Initiative



Our Shareholders

Committed to Doing the Right Thing

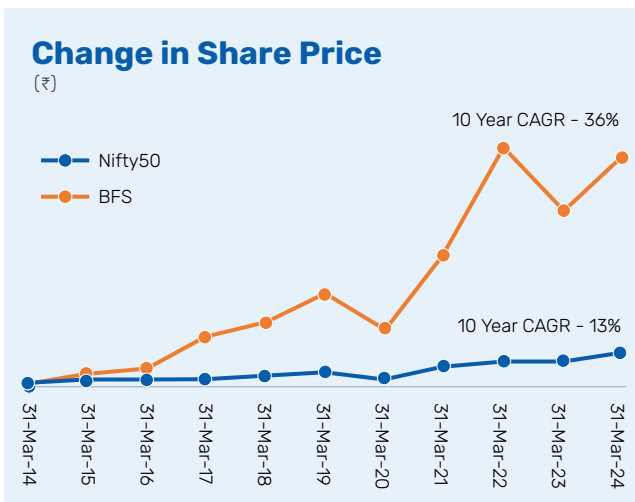
As a company that is committed to building sustainable businesses, Bajaj Finserv seeks to drive growth that is responsible and for the long-term. We are committed to doing the right thing at all times in our dealings with all stakeholders, by maintaining the highest levels of transparency, integrity and governance.

Since inception, we have sought to strengthen shareholder value through our long-range strategies, following them up with rigorous execution, by staying fully compliant with regulations, building customer-centric solutions, transforming digitally, and engaging and retaining the best talent.



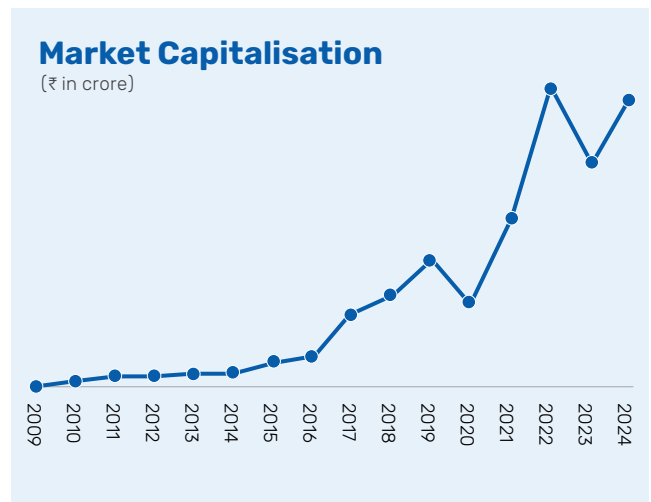
586,118

Number of shareholders



Change in the share price of BFS vs Nifty 50 index on base. Prices as at year end.

On 28th July 2022, Bajaj Finserv Ltd. announced a 5:1 stock split along with a 1:1 bonus issue



Share prices are taken from BSE, 2023 and 2024 prices are after split and bonus issue

Our Society and Environment

Creating Meaningful Impact

We are committed to contributing to a sustainable future. During the year, Bajaj Finserv implemented 211 projects involving a CSR spend of ₹ 201.94 crore. The Company's efforts were varied, from supporting children, youth and women, to adding to the green economy. The Company's rural sector obligations were maintained well above regulatory requirements as it supported 13.4 million farmers through its products and services.

90.43 million

Units of wind power:

Generated and contributed to grid by Bajaj Finserv windmills at Satara and Supa

0.6 million

Units of solar power:

Generated by solar panels at Bajaj Finserv offices

76,000

Saplings planted through employee volunteering

2 million+

Beneficiaries of our social impact programmes to date

2.45 per rupee crore
of turnover

Lower energy intensity

A Legacy of Responsibility

Accelerating Momentum of Youth Skilling

Skilling has been central to our social impact programmes. It has a multiplier effect on the well-being of youth and their families.

Drawing inspiration from the teachings and life of the founder of the Bajaj Group, Jamnalal Bajaj, the Group launched Bajaj Beyond, the Group's new identity for all its Corporate Social Responsibility (CSR) and charitable programmes, with a sharp focus on skill development.

Under Bajaj Beyond, the Group has committed ₹ 5,000 crore to social impact initiatives over five years which will benefit over two crore youth. It will enable young aspiring students to take advantage of employment and entrepreneurial opportunities offered by India's growing economy.

Bajaj Finserv is an integral part of Bajaj Beyond and this offers us an opportunity to make a positive difference in people's lives while enhancing India's young talent.



Empowering Today's Youth through Skilling

At Bajaj Finserv, our social investments are dedicated to India's next generation – its children and youth, in skilling, child education, child health, child protection, and inclusion of Persons with Disabilities. These are either self-implemented or carried out in collaboration with non-profit organisations.

Under skilling, a significant initiative is our self-implemented flagship skilling programme – Certificate Programme in Banking, Finance & Insurance (CPBFI). The programme equips young graduates, especially first-generation graduates from tier 2 and tier 3 cities with the knowledge, skills and attitude required to secure employment in banking, insurance and financial services. The programme works to bridge the skilling gap, by linking industry with academia.

CPBFI offers training modules co-designed by industry experts and spans 410 colleges with over 240 trainers across 22 states. The 100-hour programme combines experiential learning with insights from corporate trainers and finance experts, covering technical skills and 20+ workplace skills. CPBFI also emphasises the right attitude using psychology-based tools. The programme has so far benefitted over 53,000 students.

FY2024 was a milestone year as Bajaj Finserv partnered with the National Skill Development Corporation (NSDC) and the All India Council for Technical Education (AICTE), under the aegis of the Ministry of Education, to provide joint certification to students completing the programme. As part of the partnership, Bajaj Finserv, jointly with the Ministry of Education, launched Project Odiserv in Odisha, introducing the programme in 60 colleges, spanning 11 cities and 10 districts of the state. Subsequent job fairs at key locations in the state enabled students to secure employment opportunities.

Bajaj Finserv has also received a Letter of Intent from the National Council for Vocational Education and Training (NCVET), recognising the company as a Dual Awarding Body. This enables further collaborations and engagements to provide accredited skilling programmes.

Bajaj Finserv also works with several non-profit organisations to provide skill development programmes and vocational training to enable youth to enhance their income through employment or enterprise. The interventions are deeply intertwined with our focus areas and designed to address need gaps. The initiative in this space includes sector-specific or need-based training, healthcare capacity-building, enhancement of teaching skills, women empowerment through skilling and skill development for persons with disabilities. Cumulatively, through self-implemented and grant-making initiatives, we supported 114,540 youth.

Enabling Holistic Development of Children and Youth

Protecting and enhancing the well-being of children is central to our social impact programmes. We support child health, child education, child protection and the inclusion of Persons with Disabilities, in collaboration with several grassroots-level organisations.

Under child health, we provide financial assistance to children affected by mainly heart conditions, cancer, cleft lip/palate, Type 1 diabetes and epilepsy. This also includes our strategic project - Maha Smiles – Cleft Care for Every Child – which creates awareness, identifies and offers timely treatment to underprivileged children affected by cleft conditions in Maharashtra. So far, 34,253 children have benefitted from these interventions.

In child education, we focus on digital learning interventions, foundational learning (FLN), mental health programmes, early childhood education, vocational trainings, scholarships, after-school support etc. These initiatives have benefitted 455,015 children.

Considering that many children face the risk of trafficking, abuse, child labour, legal conflicts, or juvenile delinquency, we supported 15,387 children under interventions for child protection such as childcare, adoption and daycare, rescue and regeneration, learning centres, aftercare and awareness.

Persons with disabilities often face multiple challenges and limited opportunities. Our programmes are directed towards rehabilitating individuals with physical, intellectual, and learning disabilities to facilitate their inclusion into mainstream society. Our interventions comprise early rehabilitation, educational, medical and community rehabilitation, provision of residential homes and accessible infrastructure support. The programmes have benefitted 171,908 individuals.



455,015

Children benefitted from digital learning interventions, foundational learning & other educational initiatives

171,908

Persons with disabilities benefitted from rehabilitation, education, medical and infrastructure support

7.91 lakh

Beneficiaries of projects for skilling, child health, education, protection and PwD, promoting the well-being of future generations

20,000+

Women empowered through various skilling initiatives aimed at promoting gender equality and women's economic participation

Management Discussion and Analysis

Bajaj Finserv Ltd. ('Bajaj Finserv', 'BFS' or 'the Company') is an unregistered core investment company (CIC) under RBI regulations 2020 and the holding company for the various financial services businesses under the Bajaj group. **Its vision is to be a diversified financial services group with a pan-India presence and, thus, offer life-cycle financial solutions for its various customers.**

Financial life-cycle needs of all customers ideally involve five phases:

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

In turn, these needs are provided by companies providing omnichannel (i) products and solutions, and (ii) digital-first platforms. Within Bajaj Finserv, these are:

- a. Products and solutions,** provided by:
 - i. Bajaj Finance Ltd. (BFL), a large, listed, well-recognised and significantly profitable consumer finance and lending business in which BFS holds 51.34% stake and its unlisted 100% subsidiary, Bajaj Housing Finance Ltd. (BHFL), which is a profitable and fast-growing enterprise engaged in various aspects of housing finance and development.
 - ii. Bajaj Allianz General Insurance Company Ltd. (BAGIC); and Bajaj Allianz Life Insurance Company Ltd. (BALIC) which are unlisted joint ventures with Allianz SE of Germany, the global insurance and asset management company and in which BFS holds 74% stake.
 - iii. Bajaj Finserv Asset Management Ltd. (BFS AMC), an unlisted wholly-owned subsidiary of BFS. It is in the mutual fund business and offers host of innovative investment products and solutions.
- b. Digital-first platforms,** offered via:
 - i. Bajaj Finserv Direct Ltd., an unlisted subsidiary in which BFS holds 80.13% stake with the remaining 19.87% held by BFL, which operates a financial products marketplace and offers technology services;
 - ii. Bajaj Finserv Health Ltd., in which BFS holds 100% stake, a health-tech venture; and
 - iii. Bajaj Financial Securities Ltd. (BFinsec), another wholly-owned subsidiary of BFL which provides digital stock-broking and demat services.

What is the role of Bajaj Finserv across all these ventures listed above?

The role of BFS is to regularly monitor and engage with its companies with the objective of long-term sustainable profit, meaningful market share, and effective use of capital—thereby delivering superior shareholder returns. We do this by driving companies to create institutionalised frameworks through accountable empowerment and by the encouragement of disruptive thinking. The monitoring and engaging roles are under five heads:

- 1. Businesses:** Rigorous engagement in long range planning and annual operating plans; regular review of all businesses and their SBUs; and periodic analysis of new business opportunities as well as strategic investments.
- 2. Risks:** Harmonisation of risk policies and framework; regular engagement with the Chief Risk Officers of the businesses; periodic review of top enterprise risks including credit, business, financial, operational, reputational, as well as the mitigation actions planned; and driving risk-related projects across the group such as operational risk management.
- 3. Collaboration and best practices:** These involve group knowledge forums covering analytics, technology, investments, governance, etc.; cross-company projects on data, innovation and digital strategy; and cross-group stress identification forum to identify any cross-functional view on investment risks.

4. **People/HR:** The notion of 'One Finserv' which translates to group talent mobility; group young leader management trainee programmes; 30 under 30 programme; and a three-tier merit based remuneration plan combining fixed cash, annual bonus and ESOPs.
5. **Customer experience, investments and ESG:** To define customer service protocols for businesses; to review and standardise investment processes; and to provide oversight and monitoring of ESG policy and its implementation across the group.
6. **Corporate social responsibility (CSR):** To harmonise the CSR efforts of the businesses in a focused manner with aligned goals to optimise impact on the beneficiaries.

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

Bajaj Finserv also has investments in renewable energy through 138 windmills in Maharashtra with an aggregate installed capacity of 65.2 MW.

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

Performance of subsidiary companies is detailed in subsequent pages.

Given below are highlights during the year.

Highlights of subsidiary companies in FY2024

- BFL's consolidated assets under management (AUM) crossed ₹ 330,000 crore.
- BALIC's AUM crossed ₹ 100,000 crore.
- BAGIC became the 3rd largest general insurer, measured by gross direct premium, overtaking three public sector insurers of long vintage during the year.
- BFS AMC recorded AUM of ₹ 9,552 crore in its first year of operation, a first in the industry.
- Bajaj Finserv Health entered the hospitalisation claims management space with acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd.

Macroeconomic Overview

Despite three turbulent years which witnessed a global pandemic, supply chain disruptions, conflict in Ukraine and West Asia, and elevated interest rates to counter high inflation, India has emerged as the fastest growing major economy of the world. Notwithstanding conflicts in Europe and Gaza and rising tensions in West Asia, a global recession has not occurred. In fact, the key indicators have turned positive: inflation is falling across all major countries; unemployment has not risen as experts thought it would; and major central banks have put an end to monetary tightening, though they have not yet begun reducing their key interest rates.

According to the IMF's World Economic Outlook (April 2024), inflation is falling faster than expected in most regions. It has forecast global headline inflation to fall to 5.9% in 2024 and further to 4.5% in 2025, with the possibility of the 2025 forecast being further revised downwards.

In a milieu where the IMF has projected the world's real GDP growth at 3.2% in 2024 and 3.2% in 2025, its forecasts for India are impressive: 6.8% in 2024 followed by yet another stint of 6.5% in 2025. That has placed India as the fastest growing major economy in the world.

With a fair degree of control over retail inflation despite high and growing domestic demand and significant government-led capital expenditure, India has recorded robust growth in FY2024. The second advance estimate of national income released by the National Statistical Office (NSO) on 29 February 2024 has pegged real GDP growth in FY2024 to be 7.6% versus 7% (first revised estimate) in FY2023. Table 1 gives the data.

Table 1: Real GDP and Gross value added (GVA) and growth, India

	FY2021 (3 rd RE)	FY2022 (2 nd RE)	FY2023 (1 st RE)	FY2024 (2 nd AE)
Real GDP (₹ in trillion)	136.9	150.2	160.7	172.9
Real GVA (₹ in trillion)	126.9	138.8	148.0	158.3
Real GDP growth	(5.8%)	9.7%	7.0%	7.6%
Real GVA growth	(4.1%)	9.4%	6.7%	6.9%

Source: Government of India, National Statistical Office (CSO). AE denotes advance estimate, and RE denotes revised estimate.

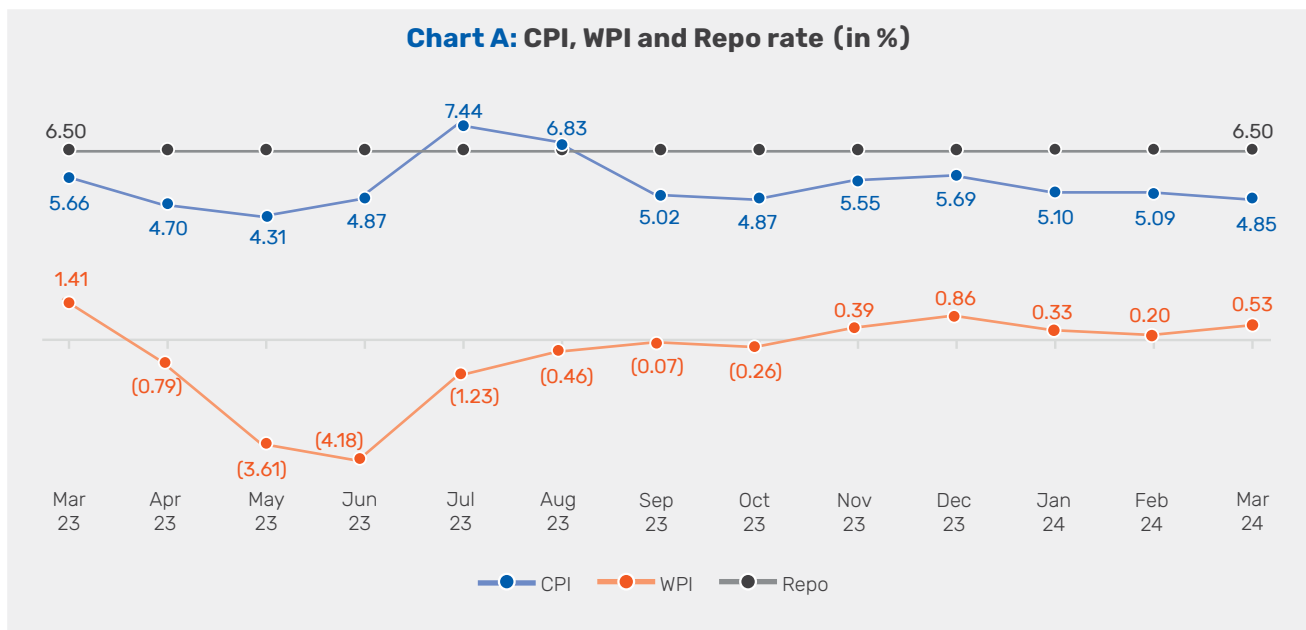
The first three quarters of FY2024 has witnessed impressive real GDP growth. Q1, FY2024 saw 8.2% growth; this was followed by 8.1% in Q2, FY2024; and then by 8.4% in Q3, FY2024. If numbers such as these prevail in the fourth quarter, then it is safe to assume that the actual GDP growth FY2024 will comfortably exceed the second advance estimate of 7.6%.

The major driver of growth has been the Central Government-led capital expenditure. The present government had considerably raised this to counter the overall demand and GDP suppression during the pandemic; and it has continued to rely upon it as a significant component of growth. To give an example: according to the second advance estimate for FY2024, gross fixed capital formation (GFCF) is expected to contribute over 34% of the GDP in FY2024—an impressive ratio by any standard.

India's current account deficit (CAD) for Q3 FY2024 stood at US\$ 10.5 billion, or 1.2% of GDP versus US\$ 11.4 billion (1.3% of GDP) in Q2 FY2024. For the first three quarters of FY2024, the CAD aggregated US\$ 31 billion, or 1.2% of GDP—compared to 2.6% over same period of FY2023. This narrowing of the CAD was due to a fall in merchandise trade deficit, robust growth in the export of services exports and strong remittances.

Consumer price inflation (CPI) moderated in first three quarters of FY2024, with average retail inflation easing to 5.5%. The decline was on account of benign core (non-food, non-fuel) inflation, which reduced to a four-year low of 3.8% in December 2023. CPI was 5.1% in January 2024 and 5.09% in February 2024. The monetary policy report of the RBI dated 5 April 2024 suggests that the moderation in inflation in Q3 and Q4 FY2024 was a result of weakening of supply side shocks—especially in food prices—and from the transmission of past monetary policy actions. Of course, regarding inflation, adverse weather conditions and escalating geopolitical hostilities remain key risks. Nevertheless, it is fair to expect CPI inflation to average 5.4% in FY2024, and then reduce to something like 4.5% in FY2025—subject, of course, to the usual upside risks.

In any event, overall retail inflation is now stable and within the tolerance band of the RBI. Chart A depicts the movement of consumer price index (CPI), wholesale price index (WPI) and the repo rate since March 2023 over the respective month.



Source: Government of India (mospi.gov.in)

The RBI's monetary policy report of 5 April 2024 expects India's real GDP for FY2024 will grow by 7.6%. And that CPI inflation will decline from 5.4% in FY2024 to 4.5% in FY2025, with most of the decline occurring in the first half of FY2025.

So, it would seem that the Indian economy has weathered the external shocks reasonably well. It is by far the fastest growing major economy in the world. The growth impetus continues across all major sectors. Inflationary pressures have abated. The CAD is well under control. And, at the very least, we can expect yet another stellar year in FY2025.

Overview of the Insurance Sector

During FY2024, the external environment was generally favourable for the insurance sector. Some of the challenges to growth, posed during post-pandemic period, also receded compared to previous year.

Positive regulatory developments in the insurance sector aimed at attaining the Insurance Regulatory and Development Authority of India (IRDAI)'s vision of 'Insurance for All' by 2047 continued in FY2024 as well.

FY2024 kicked off with introduction of Know Your Customer (KYC) norms at the policy issuance stage for general and health insurance, a long-standing need of the sector; moving all the general and health insurance products to the Use and File regime; and consolidation of limits on commission and management expenses. In collaboration with the IRDAI, the Life Insurance and General Insurance Councils helped in optimising, simplifying and consolidating the regulatory landscape, while benchmarking with global best practices, where required. Consequently, 30 erstwhile regulations were consolidated to eight. The intent of the IRDAI to move from 'rule based' to 'principle based' regulatory framework, needs to be commended.

An electronic insurance marketplace (Bima Sugam), a comprehensive life, general and health insurance product for the lower income segments (Bima Vistar) and a new form of intermediary for the rural market (Bima Vaahak), are also expected to be launched in FY2025. These are innovative initiatives and their development over the next few years will be keenly watched.

On investment front, FY2024 was a very good year, as the Indian stock market indices scaled lifetime highs. Stability in interest rates coupled with relatively moderate inflation led to excellent returns on equity and debt investments. Induction of Indian Government Bonds in the global indices during FY2024 is a testimony of what the India stands as an investment destination for international investors amidst volatile global markets marred by geopolitical uncertainties. All this created a conducive market for life insurance sector, which can be seen from the growth achieved during FY2024.

The general insurance sector also benefitted from highest ever annual sale of private cars in FY2024. Insurance penetration in respect of new automobiles is 100% and, therefore, strong growth in auto sales acts as a catalyst for general insurance. In health insurance, more states announced schemes for increasing coverage of healthcare through insurance, self-funded trust models and hybrid models. The increasing incidence of losses from natural catastrophes with eight flood events increased claims for the general insurance sector, while a shifting yield curve resulted in volatility in margins for the life insurance sector.

Consumer Finance and Lending

Bajaj Finance Ltd. (BFL)

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

BFL: Consolidated Performance Highlights for FY2024

- Customer franchise grew by 21% to 83.64 million.
- Number of new loans booked was 36.20 million.
- Number of customers on Bajaj Finserv App was 52.41 million.
- Assets under management (AUM) increased by 34% to ₹ 330,615 crore.
- Net total income increased by 26% to ₹ 36,258 crore.
- Profit after tax (PAT) increased by 26% to ₹ 14,451 crore.
- Capital adequacy ratio as on 31 March 2024 was 22.52%, Tier-I adequacy was 21.51% which is well above the RBI norms.

Business update

BFL is present in 4,145 locations across the country, including 2,576 in rural/smaller towns and villages. Geographical expansion, large customer franchise, omnichannel focus and rapid adoption and use of digital technology continue to be critical pillars of the Company's growth. It focuses on eight broad categories. These are: (i) consumer lending (sales finance); (ii) personal loans; (iii) SME lending; (iv) commercial lending; (v) loan against securities; (vi) rural lending; (vii) deposits; and (viii) partnerships and services.

In FY2024:

- BFL disbursed 36.20 million loans, representing a growth of 22% over FY2023.
- It was present in 4,145 locations across the country, including 2,576 locations in rural/smaller towns and villages.
- It operated through over 198,000 distribution points across India.
- It acquired a record 14.50 million new customers in FY2024 taking its existing customer franchise to 83.64 million as on 31 March 2024, a growth of 21% over 31 March 2023.

On a consolidated basis, BFL delivered:

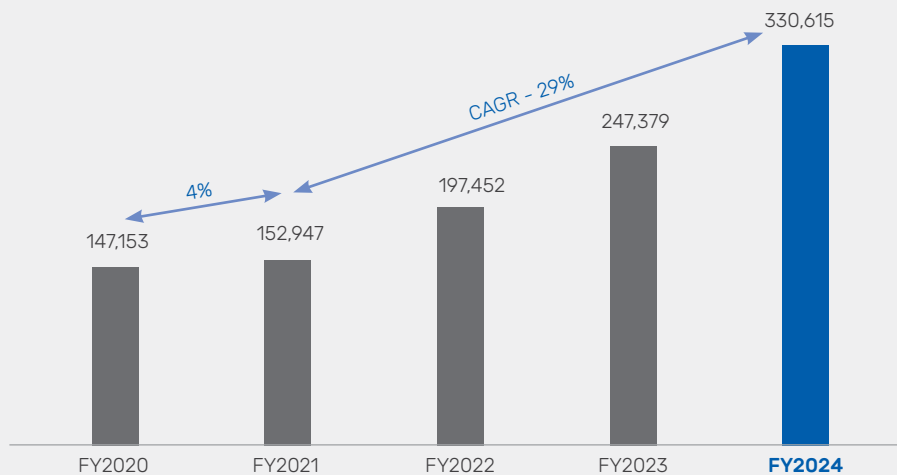
- an AUM growth of 34% in FY2024 from ₹ 247,379 crore to ₹ 330,615 crore
- growth in profit after tax (PAT) of 26% in FY2024 from ₹11,508 crore to ₹ 14,451 crore.
- Return on average assets (RoA) of 5.08% in FY2024 and return on average equity (ROE) of 22.05% on a consolidated basis.

Despite a change in regulatory measures by the RBI where risk weights on consumer credit were increased from 100% to 125% during the year, BFL remains well capitalised with a capital-to-risk weighted asset ratio (CRAR) of 22.52% as on 31 March 2024, making it among the best capitalised large NBFCs in India. Table 2 gives a snapshot of BFL's AUM across its different businesses. Chart B depicts BFL's consolidated AUM over the years.

Table 2: BFL's assets under management

(₹ In Crore)

Particulars	Standalone			Consolidated		
	FY2024	FY2023	Change	FY2024	FY2023	Change
Two and three-wheeler finance	19,742	12,979	52%	19,742	12,979	52%
Urban sales finance	23,448	17,859	31%	23,448	17,859	31%
Urban B2C	64,471	49,707	30%	66,093	51,346	29%
Rural sales finance	6,209	4,571	36%	6,209	4,571	36%
Rural B2C (excluding gold loans)	17,607	16,657	6%	17,607	16,657	6%
Gold loans	4,599	2,800	64%	4,599	2,800	64%
SME lending (excluding car loans)	38,498	29,628	30%	38,470	29,764	29%
Car loans	7,087	2,763	156%	7,087	2,763	156%
Loans against securities	18,221	14,028	30%	22,038	15,093	46%
Commercial lending	22,006	15,834	39%	22,006	15,834	39%
Mortgages	22,938	14,173	62%	103,316	77,713	33%
Total	244,826	180,999	35%	330,615	247,379	34%

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

Financial performance

Table 3 gives BFL's consolidated performance; and Table 4 highlights the key ratios.

Table 3: BFL's consolidated financial performance

(₹ In Crore)

	Consolidated		
	FY2024	FY2023	Change
Interest income	48,307	35,549	36%
Interest and finance charges	18,725	12,560	49%
Net interest income (NII)	29,582	22,989	29%
Other operating income	6,676	5,869	14%
Net total income (NTI)	36,258	28,858	26%
Operating expenses	12,325	10,142	22%
Pre-impairment operating profit	23,933	18,716	28%
Impairment on financial instruments	4,631	3,190	45%
Profit before tax (PBT)	19,310	15,528	24%
Profit after tax (PAT)	14,451	11,508	26%
Earnings per share (EPS) basic, in ₹	236.89	190.53	24%
Earnings per share (EPS) diluted, in ₹	235.98	189.57	24%
Book value per share, in ₹	1,243.99	900.16	38%

Table 4: BFL's key ratios on a consolidated basis

Ratios	FY2024	FY2023
Net interest income (NII) to average loans receivable	10.41%	10.60%
Total operating expenses to NTI	33.99%	35.15%
Return on average loans receivable (ROA)	5.08%	5.31%
Return on equity (ROE)	22.05%	23.46%
Capital to risk-weighted assets ratio (CRAR) *	22.52%	24.97%
Tier I *	21.51%	23.20%
Tier II *	1.01%	1.77%
Gross NPA	0.85%	0.94%
Net NPA	0.37%	0.34%
Provisioning coverage ratio (PCR)	57%	64%

*These ratios are on standalone basis.

Bajaj Housing Finance Ltd. (BHFL)

Ranked among the largest housing finance companies in India, Bajaj Housing Finance Ltd. (BHFL), a wholly owned subsidiary of BFL, is registered as a non-deposit taking housing finance company with the National Housing Bank (NHB) since September 2015 to carry the business of housing finance. BHFL started its lending operations from July 2017. Under the Scale Based Regulation (SBR) issued by the Reserve Bank of India (RBI) on 22 October 2021, BHFL has been categorised as an upper layer NBFCs (NBFC-UL) since 30 September 2022. Accordingly, pursuant to the applicable regulatory framework, the Company is required to be mandatorily listed on or before 30 September 2025.

BHFL offers a complete product suite of mortgages: (i) home loans; (ii) loans against property; (iii) lease rental discounting; (iv) developer financing and (v) rural mortgages. It has a dedicated vertical offering home loans and loans against property to the rural sector and MSME customers under rural mortgages.

It has the highest credit rating of AAA/stable from CRISIL and India Ratings for its long-term debt programme and A1+ from CRISIL and India Ratings for its short-term debt programme which reflects its strong financial position and repayment ability of financial obligations.

Table 5 gives BHFL's assets under management (AUM) and Table 6 gives BHFL's standalone financial performance.

Table 5: BHFL's assets under management

Particulars	₹ In Crore)		
	FY2024	FY2023	Change
Housing loans (including top ups)	52,819	42,707	24%
Loan against property	9,568	7,796	23%
Lease rental discounting	17,637	11,257	57%
Developer finance	9,599	5,693	69%
Other loans	1,747	1,775	(2%)
Total AUM	91,370	69,228	32%

Table 6: BHFL's standalone financial performance

Particulars	₹ In Crore)		
	FY2024	FY2023	Change
Interest income	7,202	5,269	37%
Interest and finance charges	4,692	3,211	46%
Net interest income (NII)	2,510	2,058	22%
Other operating income	415	396	5%
Net total income (NTI)	2,925	2,454	19%
Operating expenses	703	630	12%
Pre-impairment operating profit	2,222	1,824	22%
Impairment on financial instruments	61	124	(51%)
Profit before tax (PBT)	2,161	1,700	27%
Profit after tax (PAT)	1,731	1,258	38%
Earnings per share (EPS) basic, in ₹	2.58	1.88	37%

Bajaj Financial Securities Ltd. (BFSL)

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

In FY2024, Bajaj Broking significantly broadened its reach to 41 locations and 45 branches, providing a comprehensive suite of services to almost 700,000 clients in retail and HNI, encompassing DP services, Broking, Margin Trading Facility, and Financing for Offers For Sale. BFSL strategically aims to enhance its offerings to customers who utilise Loans Against Securities (LAS) from BFL. The objective is to provide a comprehensive range of investment products and services.

In FY2024, BFSL reported net total income of ₹ 280 crore and a profit after tax of ₹ 56 crore showcasing its strong financial performance.

Table 7 gives the abbreviated financial results.

Table 7: BFSL's financial performance

Particulars	₹ In Crore)	
	FY2024	FY2023
Net total income (NTI)	280	144
Profit before tax (PBT)	71	11
Profit after tax (PAT)	56	8

Protection and Savings

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

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

Industry update

The general insurance industry (private and public multi-line players) recorded gross direct premium income (GDPI) growth of 14.2% in FY2024. The growth rates in gross direct premium in India (Gross written premium less reinsurance accepted) for the industry and for BAGIC, are shown in Table 8.

Table 8: Gross direct premium in India – the general insurance industry*

(₹ In Crore)

Particulars	Gross direct premium		Gross direct premium excluding tender driven government schemes	
	FY2024	FY2023	FY2024	FY2023
BAGIC	20,473	15,337	14,908	12,387
Private sector	155,090	131,942	133,385	114,635
Public sector	90,342	82,891	80,647	74,310
Industry	245,433	214,833	214,031	188,945
Standalone health insurers (SAHI)	33,116	26,244	33,116	26,244
Industry including SAHI	278,549	241,077	247,147	215,189
Growth rates				
BAGIC	33.5%	12.0%	20.4%	15.1%
Private sector	17.5%	20.2%	16.4%	21.4%
Public sector	9.0%	10.3%	8.5%	8.0%
Industry	14.2%	16.2%	13.3%	15.8%
Standalone health insurers (SAHI)	26.2%	25.8%	26.2%	25.8%
Industry including SAHI	15.5%	17.2%	14.9%	16.9%

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

* excluding specialised insurers.

Business update

- BAGIC posted a gross direct premium income (GDPI) growth rate of 33.5% in FY2024, which was over twice the industry's growth rate. While strong growth in tender driven government health insurance supported the growth, BAGIC's growth was broad-based across retail and corporate business as well. During the year, BAGIC wrote premium of ₹ 2,795 crore under the government crop insurance schemes and ₹ 2,767 crore under the Ayushman Bharat government health scheme.
- Excluding the volatile tender-driven business of crop insurance and government health, BAGIC posted a GDPI growth rate of 20.4% as compared to the industry growth of 13.3%.
- It continued to do well on health (non-government business), where the growth rate was 35%.

- BAGIC continues to be among the more profitable general insurers vis-a-vis peers in the public and private sectors of comparable size. Its combined ratio of 99.9% in FY2024 is expected to be among the best in the industry, reflecting a sound balance between growth and profitability. BAGIC achieves this by:
 - Robust and prudent underwriting practices driven by strong analytics based on past claims experience;
 - Generation of cash flows through strong retention of premium and judicious investments of the proceeds; and
 - Focus on high quality customer service.

The industry was impacted by some eight natural catastrophes (NATCAT) during the year (amongst the highest in recent past). BAGIC paid around ₹ 745 crore of NATCAT claims on gross basis and ₹ 118 crore on net basis (net of reinsurance). Excluding the NATCAT claims the combined ratio for BAGIC would be at 98.5%.

- BAGIC has a diversified multi-channel distribution network consisting of banks, NBFCs, individual agents, motor insurance service providers, point of salespersons, web-sales and its proprietary direct to customers' channel. It continued to expand the network of bancassurance partners including private banks, public sector banks, regional banks, small finance banks and cooperative banks. BAGIC has one of the largest network of bancassurance partners in general insurance.
- BAGIC has also embarked upon journey to expand its presence in tier 3 and below cities via its Geo channel to take the general and health insurance business to semi-urban and rural parts of the country. It opened 56 new offices during FY2024 and continues to open new offices across the country.
- BAGIC continued its push towards enhanced digital services with capabilities like AI enabled BOT (BOING), which serviced more than 0.9 million unique customers with over 33.7 million conversations. Its customer facing mobile app, Caringly Yours, crossed 4.4 million downloads. Its innovative mobile app for the farming community, Farmitra, saw more than 0.9 million downloads; some 0.3 million farmer claims were intimated through this app. BAGIC also completed full scale implementation of KYC checks at policy issuance for over 11.7 million customers.
- BAGIC's core policy administration system is being transformed to enhance agility. During the year, entire health (including group), crop insurance, motor third party insurance products went live in the system.

BAGIC: Performance Highlights for FY2024

- Gross written premium (GWP) stood at ₹ 20,630 crore in FY2024, or a growth of 33%. Excluding tender driven business of crop and government health insurance, BAGIC's growth was 20%.
- BAGIC's market share in the industry on GDPI basis, including standalone insurers, stood at 7.3% in FY2024 up from 6.4% in FY2023.
- Net earned premium was ₹ 8,884 crore.
- The combined ratio was 99.9%, excluding NATCAT at 98.5%.
- Profit after tax for FY2024 was ₹ 1,550 crore with a growth of 15% despite the NATCAT loss of ₹ 118 crore (before tax).
- AUM was ₹ 31,196 crore.
- Highest solvency ratio amongst comparable industry players at 349%.
- Some 38 million policies were issued in the year, versus about 28 million in FY2023.
- 5.97 million claims were reported in the year, versus 4.38 million in FY2023.

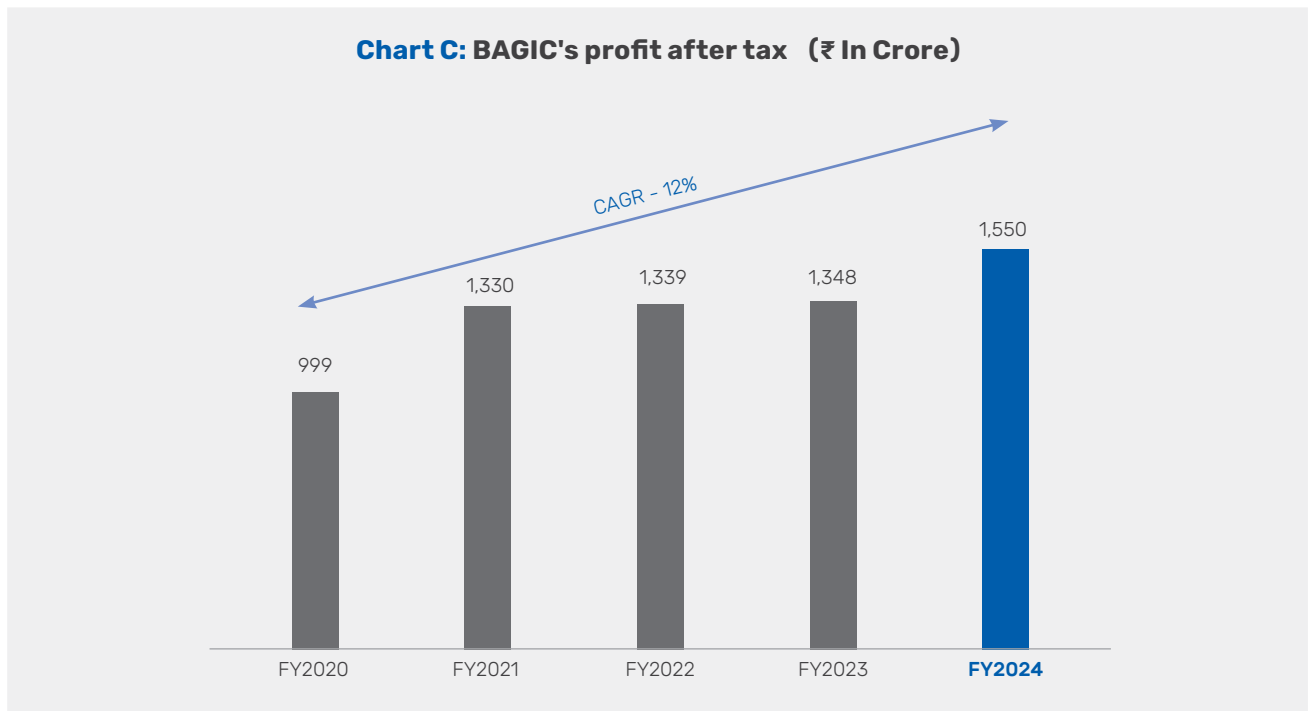
Financial performance

BAGIC's financial performance for FY2024 is summarised in Table 9. Chart C plots BAGIC's PAT over the last five years.

Table 9: BAGIC's financial performance

Particulars	(₹ In Crore)		
	FY2024	FY2023	Change
Gross written premium (GWP)	20,630	15,487	33%
GWP excluding crop and government health	15,068	12,539	20%
Net earned premium	8,884	8,019	11%
Underwriting result	(166)	(121)	
Profit before tax	2,055	1,803	14%
Profit after tax	1,550	1,348	15%
Claims ratio	73.8%	72.9%	
Combined ratio*	99.9%	100.5%	
Return on average equity	15.2%	15.0%	

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



Cash and investments

- BAGIC's cash and investments as on 31 March 2024 were ₹ 31,196 crore, versus ₹ 27,809 crore in the previous year. Cash flow generation continued to be strong.

Capital and solvency

- Paid-up capital, including share premium, stood at ₹ 277 crore as at 31 March 2024. No fresh capital was infused in the year.
- BAGIC continues to be one of the most efficient users of capital in the private sector—as measured by the ratio of GWP to share capital and by GWP to shareholders' equity.
- Shareholders' equity of BAGIC was ₹ 11,474 crore as on 31 March 2024, versus ₹ 9,806 crore a year earlier.
- As on 31 March 2024, BAGIC's solvency margin was at 349%, which is well above the normal regulatory requirement of 150%.

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

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

Industry update

The life insurance industry recorded a growth of 4.8% in individual rated new business (IRNB) premium in FY2024 on higher base of FY2023 after taxation changes in Union Budget 2023. Within the industry, private sector grew by 8.0%, while LIC de-grew by 1.3%. BALIC recorded strong growth in IRNB of 21.3% for FY2024. The Par, Retail term and ULIP product basket were the key growth drivers. Table 10 gives the data.

Table 10: New business premium in India – the life insurance industry

(₹ In Crore)

Particulars	Individual rated new business		New business (NB)	
	FY2024	FY2023	FY2024	FY2023
BALIC	6,326	5,214	11,494	10,738
Private sector	73,870	68,378	155,437	138,644
LIC	35,104	35,578	222,537	231,899
Industry	108,975	103,956	377,960	370,543
Growth rates				
BALIC	21.3%	41.4%	7.0%	17.5%
Private sector	8.0%	24.2%	12.1%	20.0%
LIC	(1.3%)	9.5%	(4.0%)	16.7%
Industry	4.8%	18.7%	2.0%	17.9%
Market share				
Private industry	67.8%	65.8%	41.1%	37.4%
LIC	32.2%	34.2%	58.9%	62.6%

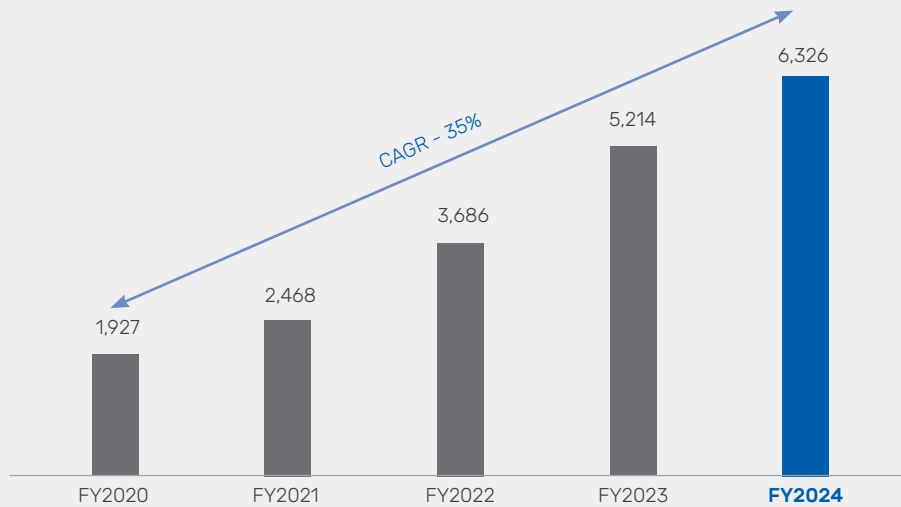
Source: Life Council statistics. Note: Individual rated new business premium = (100% of first year premium and 10% of single premium excluding group products).

Business update

BALIC recorded its highest ever gross written premium (GWP) of ₹ 23,043 crore and an AUM of ₹ 109,829 crore in FY2024.

In terms of individual rated new business (IRNB) premium, a key focus area for BALIC, BALIC registered a growth of 21.3%, which was over four times the industry growth rate of 4.8%. It was the fastest growing life insurer among the top 10 private life insurance companies on the basis of individual rated new business (IRNB) premium. It also had highest growth amongst top 10 private life insurance companies for retail number of long-term regular premium policies (NOPs). BALIC's growth is evident from the Chart D below, with a four-year (FY2020-FY2024) compounded annual growth rate (CAGR) of 35%.

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



- BALIC registered an 80 basis points increase in market share from 5.0% in FY2023 to 5.8% in FY2024 on IRNB basis. Within the private industry, its market share grew by 100 basis points—from 7.6% in FY2023 to 8.6% in FY2024.
- BALIC continued with its emphasis on a balanced and sustainable product mix. As a result, in the product mix measured on IRNB basis, the proportion of participating business increased to 27% in FY2024 from 17% in FY2023 and non-participating guaranteed savings, annuity and protection products decreased to 34% for FY2024 versus 52% in FY2023; lower non-participating mix in FY2024 was primarily due to change in taxation for traditional policies in Union Budget 2023.
- BALIC has a robust risk management framework. All policies carrying financial guarantees are hedged against interest-rate and cash flow risk through forward rate agreements with reputed banks within the framework of a Board-approved policy.
- Some of the other key achievements of FY2024 for BALIC are:
 - An increase in persistency across majority cohorts, lower customer grievances and improvement in claims settlement ratios.
 - Enhancement of product portfolio with launch of ACE in the participating segment, Assured Wealth Goal (Platinum) in the guaranteed space and Magnum Fortune Plus in the ULIP segment.
 - Balancing product mix between traditional and unit-linked as well as between individual and group business. Product mix is well diversified across par, non-par savings, protection, annuity and ULIPs.
 - Continue to strengthen and build-up Agency via an 'Add and Grow' strategy through new initiatives with higher proportion of variable cost channels to drive efficiencies. This has led to BALIC building one of the largest agency channels in the private life insurance space with over 150,000 agents.
 - BALIC Direct which involves selling by BALIC's own staff increased its presence to 313 cities in FY2024, with dedicated verticals for various customer segments such as Service to Sales, New to BALIC (NTB) and Defence.
 - Continued focus on reducing concentration risk in Institutional business with addition of new bancassurance partners (AU Small Finance Bank, South Indian Bank, Equitas Small Finance Bank, Karnataka Bank) and developing new relations with quality partners in non-banking sector.
 - Customer first programme: Increase in number of customers opting for auto-pay helped focusing on faster issuances, claim settlement and driving first time right (FTR). A revamped customer app and customer communication protocol for a hyper-personalised experience and seamless policy servicing.
 - Strong digital adoption with unique customer logged in digital assets at 13.5 lakh and 99.8% of customer-initiated payouts being electronic pay-outs.

BALIC: Performance Highlights for FY2024

- Individual rated new business (IRNB) premium grew by 21% in FY2024 to ₹ 6,326 crore.
- New business premium grew by 7% to ₹ 11,494 crore.
- Renewal premium grew by 32% to ₹ 11,549 crore.
- Gross written premium (GWP) increased by 18% in FY2024 to ₹ 23,043 crore. Yet again, BALIC registered its highest ever GWP during the year.
- PAT was ₹ 563 crore, primarily due to better operational experience.
- New business value (NBV), a key metric used to measure profitability of life insurance businesses, increased by 12% to ₹ 1,061 crore.
- 13th month persistency* was at 84.3% in FY2024, from 83.2% in FY2023, and 49th month persistency* was at 64.0% in FY2024 compared to 63.6% in FY2023.
- Customers grievances were at 37 per 10,000 new policies issued.
- The embedded value of BALIC at FY2024 stood at ₹ 21,726 crore – up from ₹ 18,584 crore at FY2023.
- AUM was ₹ 109,829 crore.
- Highest solvency ratio in the industry: 432%.
- Covered 21 million group lives in FY2024.
- Retail Claims Settlement Ratio of 99.2% and Group Claims Settlement Ratio of 99.8%

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

Financial performance

BALIC's financial performance for FY2024 is summarised in Table 11.

Table 11: BALIC's financial performance

Particulars	₹ In Crore)		
	FY2024	FY2023	% Change
Gross written premium (GWP)	23,043	19,462	18%
New business premium	11,494	10,738	7%
- Individual rated new business premium	6,326	5,214	21%
- Group protection new business premium	2,315	2,371	(2%)
Renewal premium	11,549	8,724	32%
Policyholders' surplus	(247)	(368)	
Shareholders' profit after tax	563	390	44%
New business value (NBV)	1,061	950	12%

Investments

As on 31 March 2024, BALIC's AUM was ₹ 109,829 crore, up by 21% from ₹ 90,584 crore on 31 March 2023. Table 12 provides the data.

Table 12: BALIC's assets under management

Particulars	₹ In Crore)	
	FY2024	FY2023
Shareholders' funds	10,993	10,821
Policyholders' linked funds	43,744	33,782
Policyholders' non linked funds	55,092	45,981
Total	109,829	90,584

Capital and solvency

- Paid up capital, including share premium, stood at ₹ 1,211 crore as at 31 March 2024. No fresh capital was infused in FY2024.
- Including accumulated profit of ₹ 9,449 crore, the shareholders' net worth was ₹ 11,139 crore. For the previous year, accumulated profits were ₹ 9,338 crore, and shareholders' net worth was ₹ 10,785 crore.
- BALIC has a strong solvency ratio of 432% as on 31 March 2024, which is well in excess of the minimum regulatory requirement of 150%.

Emerging Businesses

Bajaj Finserv Direct Ltd.

Bajaj Finserv Direct Ltd. attracts new-to-Finserv customers by creating awareness and discovery of the Finserv brand through the digital medium. It also seeks to enhance the digital footprint of Bajaj Finserv through the offering of select digital technology services. It started its journey in July 2018 and operates at the leading edge of finance and technology. It operates under two divisions, as explained below.

BFSI Marketplace (Bajaj Markets)

- It has two customer facing digital assets: (i) the 'Bajaj Markets Website' – which attracts over 200 million annual visits, and (ii) the 'Bajaj Markets mobile app' which is available on android and iOS with total installs of approximately 30 million.
- It partners with some of the leading companies in the BFSI sector. It has on boarded 81 partners, with 35 products ranging across retail banking (loans and credit cards), life insurance, general insurance and investments (fixed deposits, mutual funds, national pension scheme etc.).
- This open architecture offers wide choice to customers. It has 49 lending partners including BFL.
- It is a corporate agent for distribution of insurance products; and has 16 partnerships across general, life and health insurance, including BAGIC and BALIC.
- It offers credit cards of 10 provider-banks.

Bajaj Technology Services

- This division focuses on building digital-first solutions for BFSI businesses, reimagining customer experiences and operations by focusing on 6 key areas such as Adobe, Salesforce, Cloud, Gen AI, Data Analytics and Digital agency.
- Bajaj Finserv and its subsidiaries have demonstrated the use of relevant technology at scale in various segments of financial services like lending and insurance. Capitalising on this, the technology services division seeks to offer technology-based services to prospective clients in the financial services ecosystem.
- Bajaj technology services has established partnerships with some of the leading cloud-based globally renowned platforms like Salesforce, Adobe, Microsoft and Amazon Web Services and will seek to help customers in their digital transformation journey.
- A sales office has also been set up in Dubai, UAE, to establish presence and offer technology services in middle east.

Bajaj Markets recorded a revenue of ₹ 475 crore and a loss of ₹ 73 crore during FY2024 (₹ 391 crore and ₹ 52 crore respectively in FY2023). BFS and BFL have so far infused capital of ₹ 808 crore in this venture. However, no further capital was infused during the year.

Bajaj Finserv Health Ltd. (Bajaj Finserv Health)

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

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

In January 2024, Bajaj Finserv Health announced acquisition of 100% stake in Vidal Healthcare Services Pvt. Ltd. (VHC) at an enterprise value of ₹ 325 crore and completed acquisition during April 2024. VHC has vast experience in healthcare administration in India. The acquisition of VHC significantly augments capabilities of the company in the healthcare space, empowering it to provide services to insurance companies, employers and governments.

Bajaj Finserv Health has built a network of over 100,000 doctors, more than 5,000 diagnostic points and over 2,000 hospitals where outpatient (OP) transactions can be done on cashless basis. Over 45 lakh OPD health transactions have been processed and fulfilled digitally in FY2024. Bajaj Finserv Health operates primarily through a consumer facing app which allows customers to manage their plans, access network of healthcare providers, book appointments and store their health records for future reference.

Bajaj Finserv Health will seek to further its presence in the health-tech space through network expansion, expanding presence in managed care for employers, provide technology-based cognitive services including fraud identification and claims management to all insurance companies and further build on its wellness platform which includes nutritionist, mental health counselling, fitness and other benefits.

Bajaj Finserv Health is also a Wave 1 partner of the Digital Health Mission of the National Health Authority (NHA).

During FY2024, Bajaj Finserv Health recorded a revenue of ₹ 620 crore and a loss of ₹ 154 crore (versus revenue of ₹ 180 crore and loss of ₹ 188 crore in FY2023). BFS has so far infused capital of ₹ 695 crore in this health tech venture including ₹ 235 crore in FY2024.

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

Bajaj Finserv Asset Management Ltd. (BFS AMC)

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

BFS AMC has set out on a journey driven by a vision to help its investors achieve their long-term objectives, seeking to create a meaningful difference in everything that it does. It has sought to establish its unique investment philosophy – INQUBE – that adds behavioural finance insights (BE) to information (IN) and use of quantitative techniques (QU) to generate superior returns over market cycles.

BFS AMC launched its first fund in July 2023. Within a year of receiving the final licence and less than nine months from its first fund launch, BFS AMC has become the 27th (of 44) largest AMC in India with an AUM of ₹ 9,552 crore as on 31 March 2024, and over 200,000 folios. In the course of the year, BFS AMC has onboarded over 35,000 mutual fund distributors, of which some 18,000 were onboarded through a first-of-its-kind whatsapp empanelment capability. It is also present across the country's leading Fintech MF distribution platforms.

BFS has so far infused capital of ₹ 300 crore in this venture.

Renewable Energy and Conservation of Environment

Bajaj Finserv owns and operates 138 windmills in Maharashtra with total installed capacity of 65.2 MW. During FY2024, the Company continued generating green energy, thereby contributing to conservation of the environment. Apart from revenue from sale of power generated by these wind farms, BFS also earns revenue from renewable energy certificates (RECs).

Due to favourable winds, the windmills generated 9.04 crore units in FY2024, which was 9% higher than the FY2023 generation of 8.32 crore units. Revenue generated from renewable energy in FY2024 was ₹ 23 crore.

Bajaj Finserv ESG

BFS and group companies are committed more than ever to building upon the strong legacy of the Bajaj Group embedding environmental, social, and governance (ESG) priorities into the core fabric of our DNA. This legacy of responsible business practices and inclusive growth drives us to recognise that true sustainability lies in our dedication to create value for all, both for present and future generations. ESG priorities are integrated into every aspect of our business, from governance structures and risk management frameworks to our product offerings and customer engagement strategies. Our business responsibility strategy is mapped to our vision of responsible growth and implemented in our ESG objectives.

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

- **High standards of corporate governance**

Conduct and govern business with integrity in a manner that is ethical, transparent, fair and accountable. We have built the foundations of the organisation on these principles. The Bajaj group's commitment to the highest standards of corporate governance practices predates the provisions of the SEBI Listing Regulations. It is also reflected in the strong culture of responsible business conduct for building long-term businesses and providing sustainable growth and meeting the interests of its stakeholders. Besides adopting high standards of governance, the group remains committed to prudent business practices in order to ensure that businesses are not exposed to undue risks.

- **Delivering financial services to millions of Indians**

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

- **Preserving and protecting the environment**

We are committed to adopting environmentally friendly practices and process to minimise the impact of our operations on the environment. We have been implementing measures for the usage of renewable energy, minimising carbon footprint, and offering financial product offerings that assist in the preservation and protection of the environment, promote sustainable development and our stakeholders to adopt eco-friendly practices.

- **Empowering society**

Our CSR activities are focused on promoting social welfare initiatives that drive inclusive growth, equitable development, and the well-being of society. The Company's social investments are strategically directed towards areas of skilling, child education, child health, child protection and inclusion for persons with disabilities. It collaborates with several not-for-profit organisations, government, hospitals, institutions, and training partners to implement programmes and drive ground-level interventions. We also run the self-implemented skilling programme-CPBFI, a Certificate Programme in Banking, Finance and Insurance. Alongside targeted projects, Bajaj Finserv focuses on several strategic ones with select partners to maximise the impact.

- **Customer centricity**

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

- **Human capital management**

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

- **Information and cyber security including fraud management**

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

- **Stakeholders' engagement**

We believe that periodic and regular engagement with our stakeholders is crucial to enhancing our sustainable and responsible business practices. We actively seek feedback and insights and engage our customers, employees, investors, partners, and communities to inform our decision-making and ensure that our ESG initiatives are aligned with their expectations and needs. Our transparent communication and collaborative partnerships are aimed at creating value for all stakeholders

Full details of the progress that we have made in these areas can be found in our Business Responsibility and Sustainability Report which is uploaded on our website at www.bajajfinserv.in

One Finserv: A Group-wide Platform for Human Capital Development

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

- Creating a common job evaluation structure so that jobs can be easily compared or ported across our businesses.
- Creating a platform for internal job postings under which almost all vacancies are advertised across the group; and employees in the group are free to apply if eligible.
- Identifying the leadership mindsets viz. growth mindset, customer obsession, being responsible and talent builder. These, along with leadership behaviours comprising continuous transformation, innovate to simplify, do the right thing and delegate and develop form the basis of our talent management. All middle and senior management employees aspiring to be leaders are evaluated on these dimensions.
- Preparation of talent cards for each employee which identifies potential growth opportunities for employees within the group and also potential internal successors within the group.
- Creating learning and development journeys based on output of the talent assessment process, focused on the leadership mindsets and behaviours.
- Annual review of talent cards and assessments across the group.

The success and brand of Bajaj Finserv is built through some key core and differentiating factors that run across all our businesses: customer obsession; ethos of honesty; an unwavering growth mindset; commitment to continuous transformation; and innovating to simplify. These values are now ingrained into our culture wheel, which is the foundation of One Finserv—our talent management process that offers competent employees the opportunity to pursue their dreams.

CPBFI: The Flagship Skilling Programme of Bajaj Finserv

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

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

Primarily targeting first-generation graduates from smaller towns, the programme seeks to empower ambitious individuals by equipping them with industry relevant skills. Notably, 66% of participants are first-generation graduates, predominantly comprising of young aspirants from tier 2 or 3 cities, with a significant representation of women at 70%.

The 100-hour programme has been meticulously designed to offer a combination of experiential learning and insights from corporate trainers or finance domain experts. It thus offers a robust understanding of technical subjects in banking and insurance and enables students to acquire approximately 21 soft skills crucial for the workplace. Furthermore, HR workshops and mock interviews, conducted by Bajaj Finserv recruiters, enhance practical knowledge and industry readiness.

CPBFI's commitment to excellence is underscored by its collaborations with national bodies such as National Skill Development Corporation (NSDC) and All India Council for Technical Education (AICTE) that enables students to earn a joint certification accredited by both Bajaj Finserv and Skill India. It has also launched Project Odiserv as a part of Ministry of Skill Development and Entrepreneurship that will further introduce CPBFI programme in 60 colleges across Odisha, spanning 11 cities and 10 districts. Additionally, BFS has received a Letter of Intent from National Council of Vocational Education and Training (NCVET), considering granting provisional recognition as a dual awarding body. This allows for further collaborations and engagements.

Collaborating with colleges and leveraging training partners, CPBFI delivers training modules co-designed and executed by expert trainers with extensive industry experience. With a nationwide presence across 410 colleges and collaboration with five training partners, the programme is facilitated by over 240 trainers across 22 states. The programme has thus far transformed lives of over 53,000 students so far.

Financials of Bajaj Finserv

BFS: Consolidated Performance Highlights for FY2024

All-time high

- Consolidated revenue of ₹ 110,383 crore.
- Consolidated profit after tax of ₹ 8,148 crore.
- BFL consolidated profit after tax of ₹ 14,451 crore.
- BAGIC consolidated profit after tax of ₹ 1,550 crore.
- BALIC net new business value of ₹ 1,061 crore.

Standalone financials

Standalone financials of BFS are given in Table 13 and significant ratios in Table 14.

Table 13: Standalone financials of Bajaj Finserv

Particulars	(₹ In Crore)	
	FY2024	FY2023
A. Income from wind farm activity	24	23
Administrative expenses	11	13
Profit from wind farm activity	13	10
B. Income from investments and others*	1,710	1,125
Other expenses	186	160
Profit before tax (PBT)	1,537	975
Tax expense	367	242
Profit after tax (PAT)	1,170	733

* Includes dividend received from subsidiaries of ₹ 1,508 crore (Previous year: ₹949 crore).

Table 14: Significant standalone ratios of Bajaj Finserv

Particulars	FY2024	FY2023
Current ratio	2.0	1.5
Operating profit margin %	88.6%	85.0%
Net profit margin %	67.5%	63.9%
Return on equity %	19.8%	15.2%

Return on equity has changed significantly due to increase in profit.

Consolidated financials

The consolidated financials are given in Table 15. These include the results of subsidiaries and joint venture and are prepared in accordance with the Ind AS.

Note on consolidated profit after tax:

Under Ind AS, the insurance subsidiaries have chosen to hold a large part of equity securities portfolio as Fair Value Through Profit and Loss Account. Unrealised Mark-to-market (MTM) gain/(loss) on investments (post tax) included in consolidated profit are given below.

Table 15: Consolidated financials of Bajaj Finserv

Segment revenue			Segment results: profit after tax		
Particulars	FY2024	FY2023	Particulars	FY2024	FY2023
Life insurance	27,673	20,305	Life insurance	457	274
General insurance	27,299	20,563	General insurance	1,021	995
Windpower	24	23	Windpower	13	10
Retail finance	54,983	41,406	Retail finance	7,586	6,041
Investments and others	3,190	1,703	Investments and others	(897)	(575)
	113,169	84,000	Profit before MTM gain	8,180	6,745
Less: inter-segment	2,786	1,928	MTM gain/(loss)	(32)	(328)
Total	110,383	82,072	Profit after MTM gain	8,148	6,417

Internal control systems and their adequacy

The Company has effective internal control systems, which have been found to be adequate by the Management of the Company. Moreover, internal auditors periodically bring to the attention of the Audit Committee any deficiencies and weaknesses in the internal control systems, if any. The Audit Committee reviews and monitors the remedial actions to ensure its overall adequacy and effectiveness.

Awards and Recognition

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

BFL

- Business Today Award 2023 for Best NBFC.
- FE India's Best Banks Award 2023 for NBFC.
- Best large NBFC at Mint BFSI Summit and Awards.
- ET CIO Awards for Enterprise IT Excellence- 'Digital Enterprise of India – BFSI'.

BAGIC

- Hosted General Insurance Festival of India (GIFI). It achieved Guinness World Records® title for largest attendance at an insurance conference with 5,235 attendees.
- 'General Insurance Company of the Year' at 27th Asia Insurance Industry Awards in Singapore, only company to have received this thrice.
- New Ways of Working (Gold Medal) & Operational Efficiency (Bronze Medal) at the Qorus Reinvention Awards – APAC 2023.

BALIC

- Won the 'Domestic Life Insurer of the Year' – India award at the Insurance Asia Awards 2023.
- Won the 'Insurer Innovation Award 2023' – Global for an innovative Whats app Conversational Platform at the World's Digital Insurance Awards 2023 organised by The Digital Insurer.
- Certified as 'Great Place to Work® India' and won the prestigious 'Kincentric Best Employer Award 2023' for the third consecutive year as well as inducted into the 'India Best Employer Club 2024'.

Bajaj Finserv Direct

- Won Silver for 'Digital Transformation' at Economic Times Human Capital Awards 2024.
- 'Best Digital Transformation Initiative of the Year' for Bajaj Technology Services, our tech services business at the 4th Annual BFSI Excellence Awards 2023 organised by Quantic India.

Bajaj Finserv Health

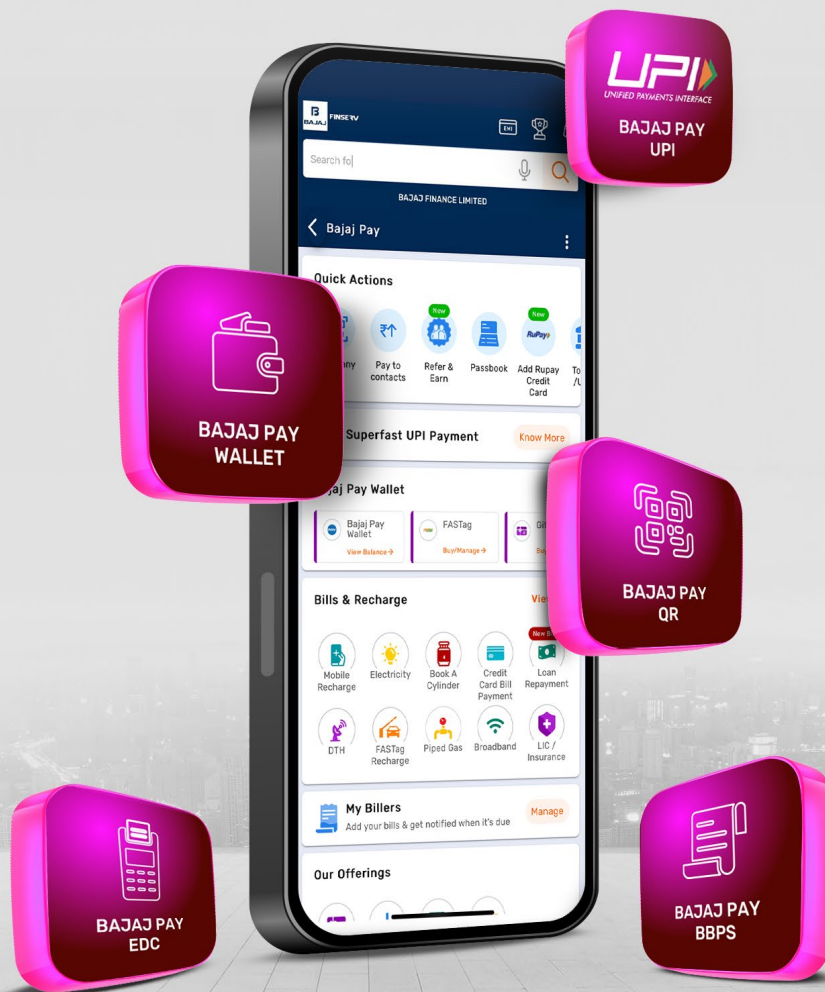
- FE Best Banks Award 2022-23 in Health-Tech Category.

Cautionary Statement

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

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we bring to you the power of convenient payments via the Bajaj Finserv App.

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Report on Corporate Governance

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

In accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto (the 'SEBI Listing Regulations'), given below are the corporate governance policies and practices of Bajaj Finserv Ltd. (the 'Company', 'Bajaj Finserv' or 'BFS') for FY2024.

This report outlines compliance with requirements of the Companies Act, 2013, as amended, (the 'Act') and the SEBI Listing Regulations, as applicable to the Company. As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated in the applicable laws.

Philosophy

For us, corporate governance is a reflection of principles rooted in our values and policies and also embedded in our day-to-day business practices. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations and clause 49 of erstwhile Listing Agreement. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrusts of the working of the Bajaj group. The Company maintains the same tradition and commitment. We believe that the imperative for good Corporate Governance lies not merely in drafting codes for Corporate Governance but in practicing and implementing the same in spirit.

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

Key elements of Bajaj Finserv's Corporate Governance

- Compliance with applicable laws.
- Proactive adherence to the regulations.
- Number of Board and Committee meetings more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Board comprises of directors from diverse background and substantial experience, who are able to provide appropriate guidance to the executive management as required.
- Panel of independent directors with outstanding track record and reputation.
- Audit Committee comprising of independent Board members and with Independent Directors chairing all Committees of the Board.
- Pre-Audit Committee meetings of the Committee's Chair with statutory auditors, internal auditor and members of executive management who are the process owners.
- Constitution of Strategic Investment Committee with Independent Director as the Committee's Chair.
- Separate meeting of independent directors without the presence of non-independent directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Presentations by key senior management team members of the Company and its subsidiaries to familiarise the directors with key elements of each of the businesses.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Representation of the Company via non-executive and independent directors on the Board of its material subsidiaries which ensures an institutionalised structure of control over subsidiaries.

- Half-yearly communication from the Chairman to all shareholders of the Company giving an update on the Company’s performance.
- Adoption of key governance policies and codes in line with best practices, which are made available to stakeholders for downloading/viewing from the Company’s website. These, *inter alia*, include:
 - Whistle Blower Policy/Vigil Mechanism;
 - Policy on Materiality of and dealing with Related Party Transactions;
 - Code of Conduct for directors and senior management;
 - Dividend Distribution Policy;
 - A gender neutral policy on Prevention of Sexual Harassment at workplace;
 - Charter of fair & responsible workplace guidelines for contract labour;
 - Corporate Social Responsibility Policy;
 - Remuneration Policy;
 - Policy for determining Material Subsidiaries;
 - Code of ethics and personal conduct;
 - Responsible and Sustainable Business Conduct Policy;
 - Employee Charter and Human Rights Statement; and
 - CII Code of Conduct.
- The weblinks of key policies are given as an annexure to this Report.

Board of Directors

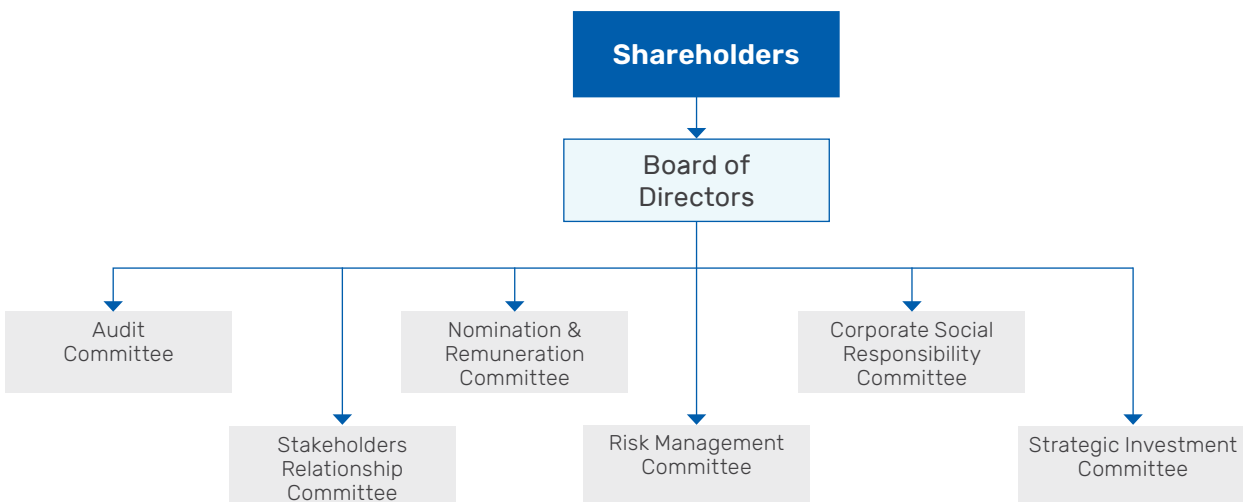
The Board of Directors (‘Board’) and its Committees play significant role in upholding and furthering the principles of good governance which translates into ethical business practices, transparency and accountability in creating long-term stakeholder value.

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

The responsibilities of the Board, *inter alia*, include formulation of overall strategy for the Company, reviewing major plan of actions, oversight over subsidiaries, laying down the Code of Conduct for all members of the Board and the senior management team, formulating policies, conducting performance review, monitoring due compliance with applicable laws, reviewing and approving the financial results, enhancing corporate governance practices and ensuring the best interest of the shareholders, the community, environment and its various stakeholders.

The Board has constituted several Board sub-Committees. The remit of these Committees are governed by the regulations, business exigencies and such other matters warranting special and expert attention.

Chart 1 gives depiction of Board and its various Committees.



Composition of the Board

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

As on 31 March 2024, the Board of the Company consisted of eight directors, of whom one was promoter and executive (Chairman & Managing Director), four were non-executive independent (including one-woman independent director) and three were non-executive non-independent. The Board does not have any institutional nominee director.




































































The Company is in compliance with the SEBI Listing Regulations.

Number of meetings of the Board

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

During FY2024, the Board of Directors met seven times, viz., 27 April 2023, 27 July 2023, 15 September 2023, 29 September 2023, 27 October 2023, 30 January 2024 and 21 March 2024. The gap between any two consecutive meetings has been less than one hundred and twenty days.

Attendance record of directors for FY2024:

Sr. No	Name of the directors	No. of Board meetings held during FY2024							Attendance at the Last AGM held on 27 July 2023
		27 April 2023	27 July 2023	15 September 2023	29 September 2023	27 October 2023	30 January 2024	21 March 2024	
Chairman & Managing Director									
1.	Sanjiv Bajaj (DIN:00014615) Executive, Promoter								
Independent Directors									
2.	D J Balaji Rao (DIN: 00025254)#						N.A.	N.A.	
3.	Dr. Naushad Forbes (DIN: 00630825)			×					
4.	Anami N Roy (DIN: 01361110)								
5.	Pramit Jhaveri (DIN: 00186137)								
6.	Radhika Haribhakti (DIN:02409519)								
Non-Executive Directors									
7.	Madhur Bajaj (DIN: 00014593) Promoter								
8.	Rajiv Bajaj (DIN: 00018262) Promoter					×		×	
9.	Manish Kejriwal (DIN: 00040055)								

 Attendance in person  Attendance through VC  Absent

Notes:

1. Sanjiv Bajaj and Rajiv Bajaj are related as brothers, except this no other directors are related inter se.
2. #D J Balaji Rao passed away on 28 November 2023 and as a result, he ceased to be an Independent Director.

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

Sr. No.	Name of Director, DIN and capacity/category	Director since	% of meetings attended in last 3 years [#]	Remuneration (₹ in Crore)			No. of Shares held in the Company as on 31 March 2024
				Salary and other compensation	Sitting Fee	Commission [§]	
Chairman and Managing Director							
1.	Sanjiv Bajaj (DIN:00014615) Executive, Promoter	30 April 2007	100	31.67	-	-	4,144,040
Independent Directors							
2.	D J Balaji Rao* (DIN: 00025254)	1 April 2014	100	-	0.11	0.33	-
3.	Dr. Naushad Forbes (DIN: 00630825)	13 September 2017	90	-	0.20	0.60	500
4.	Anami N Roy (DIN: 01361110)	1 January 2019	100	-	0.18	0.54	-
5.	Pramit Jhaveri (DIN: 00186137)	1 May 2022	100	-	0.17	0.51	-
6.	Radhika Haribhakti (DIN:02409519)	1 May 2022	100	-	0.15	0.45	900
Non-Executive Director							
7.	Madhur Bajaj (DIN: 00014593) Promoter	10 May 2007	100	-	0.07	0.21	500,000
8.	Rajiv Bajaj (DIN: 00018262) Promoter	30 April 2007	80	-	0.05	0.15	2,000
9.	Manish Kejriwal (DIN: 00040055)	1 January 2019	100	-	0.10	0.30	-

Notes:

- # % of meetings attended is calculated based on the number of board meetings attended by the directors.
- *D J Balaji Rao (DIN: 00025254) passed away on 28 November 2023. Date of appointment pursuant to Companies Act, 2013 as an independent director is considered.
- § The amount of Commission will be paid post adoption of financial statements.

The Company has not issued any convertible instruments and none of the Directors hold any convertible instrument.

Changes in composition of Board during FY2024

Details of change in composition of the Board during FY2024 are as below:

Sr. No.	Name of Director	Capacity	Nature of Change	Effective Date
1.	D J Balaji Rao	Independent Director	Cessation due to death	28 November 2023

Resignation of Independent Director during FY2024

No resignation was tendered by any of the independent directors during FY2024.

Board Diversity

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

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

Core skills/ expertise/ competencies

As stipulated under schedule V to the SEBI Listing Regulations, core skills/expertise/competencies as required in the context of the business and sector for it to function effectively and those actually available with the Board have been identified by the Board of Directors.

The chart/ matrix of such core skills/ expertise/ competencies, identified by the Board along with the names of directors who possess such skills is given below:

Core skills/Expertise/Competencies									
Name of the directors	Management & Governance	Financial Services	Consumer behaviour, sales, marketing and customer experience	Technology and Innovation	Understanding of accounting and financial statements	Risk, Assurance and Internal Controls	Regulatory, Public policy and economics	Human Resource	Business Transformation & Strategy
Sanjiv Bajaj	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dr. Naushad Forbes	✓	-	✓	✓	✓	✓	✓	✓	✓
Anami N Roy	✓	✓	-	-	✓	✓	✓	✓	-
Pramit Jhaveri	✓	✓	✓	✓	✓	✓	✓	✓	✓
Radhika Haribhakti	✓	✓	-	-	✓	✓	-	✓	✓
Madhur Bajaj	✓	✓	✓	-	-	-	✓	✓	✓
Rajiv Bajaj	✓	-	✓	✓	✓	✓	-	✓	✓
Manish Kejriwal	✓	✓	✓	✓	✓	-	✓	-	✓

Opinion of the Board

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

Non-executive directors' compensation

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

The members of the Company vide special resolution dated 22 June 2022, have approved the payment of commission up to a sum not exceeding one percent of the net profit of the Company, calculated in accordance with the provisions of section 198 of the Act, to be paid and distributed among the directors of the Company or some or any of them (other than the Managing Director and Whole-time Director, if any) in such amounts, subject to such ceiling/s and in such manner and in such respects, as may be decided by the Board of Directors from time to time during the period of five years commencing from 1 April 2022.

For FY2024, the NEDs of the Company are being paid commission at the rate of ₹ 300,000 per meeting of the Board and/or its Committees attended by them.

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

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

The Company does not have a stock option programme for any of its directors.

Information placed before the Board

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

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

In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the Act and SEBI Listing Regulations. The independent directors of the Company met on 21 March 2024 and expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

Pursuant to the various regulatory requirements and considering business needs, the Board is apprised on various strategic, business, compliance and regulatory matters. During FY2024, it *inter alia*, covered the following:

- Business plans, forecast and strategic initiatives of the Group
- Internal financial controls
- Succession planning, organisational structure, and talent management framework
- Status of compliance with Act, SEBI Regulations and shareholder related matters
- Review of various policies framed by Company from time to time covering, amongst others, Code of Conduct for Directors and Senior Management, Whistle Blower policy, Code of practice and procedure for fair disclosure etc.
- Risk management system, risk management policy and strategy followed
- Minutes of meetings of various Committees of the Board
- Review of critical legal matters involving the Company and/or its subsidiaries
- Performance of subsidiaries
- Presentations on the various regulatory updates
- Review of terms of reference of board constituted committees

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

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

Orderly succession to Board and Senior Management

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

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

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

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

Directorships and memberships of Board committees

Table 1: Number of directorship/committee positions of directors as on 31 March 2024 (including the Company):

Sr. No.	Name of Director	No. of directorships	Directorships			Committee positions in listed and unlisted public companies	
			In equity listed companies	In unlisted public companies	In private limited companies	As member (including as chairperson)	As chairperson
1.	Sanjiv Bajaj	18	5	5	8	7	0
2.	Dr. Naushad Forbes	13	5	1	7	7	2
3.	Anami N Roy*	11	7	3	1	10	5
4.	Pramit Jhaveri	4	3	0	1	2	0
5.	Radhika Haribhakti	8	7	0	1	8	1
6.	Madhur Bajaj	6	3	0	3	0	0
7.	Rajiv Bajaj	11	5	2	4	1	1
8.	Manish Kejriwal	4	3	0	1	1	1

Notes:

- *Consequent to the completion of term, he ceased to be an independent director in Bajaj Holdings & Investment Ltd. effective 31 March 2024 (close of business hours).
- For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included; whereas all other companies including private limited companies, foreign companies, high value debt listed entities and companies under section 8 of the Act/section 25 of the Companies Act, 1956 have been excluded. Only the audit committee and the stakeholders' relationship committee are considered for the purpose of reckoning committee positions. Bajaj Housing Finance Ltd., being a public limited company as well as high value debt listed entity is considered under the category of public limited company.

None of the directors hold office as a director, including as an alternate director, in more than twenty companies at the same time. Further, none of them have directorships in more than ten public companies. For reckoning the limit of public companies, directorships of private companies that are either holding or subsidiary companies of a public company are included; while directorships in dormant companies and section 8 of the Act/section 25 of the Companies Act, 1956 are excluded. For the purpose of reckoning the directorships in listed companies, only equity listed companies have been considered.

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

None of the director was a member in more than ten committees, nor a chairperson in more than five committees across all public companies in which he/she was a director.

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

Directorship in listed companies (including debt listed companies)**Table 2: Name of listed entities where directors of the Company held directorships as on 31 March 2024 (including the Company)**

Sr. No.	Name of director	Name of listed entity	Category
1.	Sanjiv Bajaj	Bajaj Auto Ltd.	Non-executive, non-independent
		Bajaj Finance Ltd.	Chairman, non-executive non-independent
		Bajaj Finserv Ltd.	Chairman & Managing Director, executive
		Bajaj Holdings & Investment Ltd.	Managing Director & CEO, executive
		Bajaj Housing Finance Ltd. (High value debt listed company)	Chairman, non-executive non-independent
		Maharashtra Scooters Ltd.	Chairman, non-executive non-independent
2.	Dr. Naushad Forbes	Bajaj Auto Ltd.	Non-executive, independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd. Zodiac Clothing Company Ltd.	
3.	Anami N Roy	Bajaj Auto Ltd.	Non-executive, independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	
		Bajaj Housing Finance Ltd. (High value debt listed company)	
		Finolex Industries Ltd. Glaxosmithkline Pharmaceuticals Ltd. Siemens Ltd.	
4.	Prमित Jhaveri	Bajaj Finance Ltd.	Non-executive, independent
		Bajaj Finserv Ltd.	
		Larsen and Toubro Ltd.	
5.	Radhika Haribhakti	Bajaj Finance Ltd.	Non-executive, independent
		Bajaj Finserv Ltd.	
		EIH Associated Hotels Ltd.	
		ICRA Ltd.	
		Navin Fluorine International Ltd. NOCIL Ltd. Torrent Power Ltd.	
6.	Madhur Bajaj	Bajaj Electricals Ltd.	Non-executive non-independent
		Bajaj Finserv Ltd.	
		Bajaj Holdings & Investment Ltd.	
7.	Rajiv Bajaj	Bajaj Auto Ltd.	Managing Director and CEO, executive
		Bajaj Electricals Ltd.	Non-executive non-independent
		Bajaj Finance Ltd.	
		Bajaj Finserv Ltd.	
8.	Manish Kejriwal	Bajaj Holdings & Investment Ltd.	Vice Chairman, non-executive, non-independent
		Alembic Pharmaceuticals Ltd.	Non-executive, independent
		Bajaj Finserv Ltd. Bajaj Holdings & Investment Ltd.	Non-executive, non-independent

Certificate on qualification of Directors

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

Review of legal compliance reports

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

Code of Conduct

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

The Company has a Board approved Code of Conduct for Board members and senior management of the Company. The Code is reviewed periodically. The Code is placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v2pdf-1?scl=1&fmt=pdf>

All the Board members and senior management personnel have affirmed compliance with the Code for the year ended 31 March 2024. A declaration to this effect signed by the Chairman & Managing Director forms a part of this [Annual Report](#).

Maximum tenure of independent directors

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

Accordingly, the Board and the Nomination and Remuneration Committee, after evaluating performance of Anami N Roy during his first tenure as independent director, recommended his re-appointment as independent director of the Company for second tenure of five consecutive years commencing from 1 January 2024 till 31 December 2028. The same has been approved by the members vide special resolution passed through postal ballot on 7 December 2023.

The tenure of the independent directors is in accordance with the provisions of the Act.

Formal letter of appointment to independent directors

The Company has issued a formal letter of appointment/re-appointment to independent directors in the manner provided in the Act. As per regulation 46(2) of the SEBI Listing Regulations, the terms and conditions of appointment/re-appointment of independent directors are placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/bfs-terms-of-id-appointment-2018-v1pdf-1?scl=1&fmt=pdf>

Familiarisation programme

On an ongoing basis, the Company endeavours to keep the Board including independent directors abreast with matters relating to the industry in which Company and its subsidiaries operates, their business model, risk metrics, mitigation and management, governing regulations, information technology including cyber security, Environment Social and Governance (ESG) initiatives of the Company and the Group, their roles, rights and responsibilities and major developments and updates on the Company, its subsidiaries and group, etc.

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

The familiarisation details can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/familiarisation-programme-for-independent-directors-19-4-24pdf?scl=1&fmt=pdf>

Whistle-blower policy/vigil mechanism

The Company has a whistle-blower policy encompassing vigil mechanism pursuant to the requirements of the section 177(9) of the Act and regulation 22 of the SEBI Listing Regulations. This mechanism enables directors and employees to report confidentially to the Management, without fear of victimisation, any unacceptable and/or unethical behaviour, suspected or actual fraud, violation of the Company's Code of Conduct or ethics policy and instances of leak or suspected leak of unpublished price sensitive information which are detrimental to the organisation's interest. It provides safeguards against victimisation of directors/ employees who avail of the mechanism and allows direct access to the Chairman of the Audit Committee in exceptional cases.

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

During FY2024, no employee was denied access to the Chairman of Audit Committee under this policy.

No complaint was received by Company as on 31 March 2024.

Details of subsidiaries

a) Material subsidiaries

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

The details of the same are as under:

Sr. No.	Particulars	BFL	BHFL
1.	Date of incorporation	25 March 1987	13 June 2008
2.	Place of incorporation	Pune	Pune
3.	Registered office	Akurdi, Pune - 411 035	Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Akurdi, Pune - 411 035
4.	Name of the Auditor	Deloitte Haskins & Sells, Chartered Accountants and G. M. Kapadia & Co., Chartered Accountants, as Joint Statutory Auditors	Khandelwal Jain & Co., Chartered Accountants and G.D. Apte & Co., Chartered Accountants as Joint Statutory Auditors
5.	Date of appointment	17 November 2021	16 November 2021
6.	Period of appointment	3 years to hold office till the AGM scheduled in 2024 for audit of Financial Statements for FY2022, FY2023 and FY2024 as per RBI Guidelines.	3 years to hold office till the AGM scheduled in 2024 for audit of Financial Statements for FY2022, FY2023 and FY2024 as per RBI Guidelines.
7.	Other details	<ul style="list-style-type: none"> - BFL is registered as a Non-Banking Finance Company with Reserve Bank of India ('RBI') (Registration No. A-13.00243). - It is also classified in the Upper Layer pursuant to RBI Scale Based Regulations. - The equity shares of the company are listed on BSE Ltd. and National Stock Exchange of India Ltd. - Debentures issued by the company are listed on the whole sale debt market (WDM) segment of BSE Ltd. It is classified as a high value debt listed entity in terms of SEBI Listing Regulations. 	<ul style="list-style-type: none"> - BHFL is registered as a Housing Finance Company with National Housing Bank (Registration No. 09.0127.15). - It is also classified in the Upper Layer pursuant to RBI Scale Based Regulations. - Debentures issued by the company are listed on the whole sale debt market (WDM) segment of BSE Ltd. It is classified as a high value debt listed entity in terms of SEBI Listing Regulations.

Sr. No.	Particulars	BAGIC		BALIC	
		1.	Date of incorporation	19 September 2000	
2.	Place of incorporation	Pune		Pune	
3.	Registered office	Bajaj Allianz House Airport Road, Yerawada Pune - 411 006.		Bajaj Allianz House Airport Road, Yerawada, Pune - 411 006.	
4.	Name of the Auditor	S R Batliboi & Co. LLP, Chartered Accountants	KKC & Associates LLP, Chartered Accountants	Deloitte Haskins & Sells, Chartered Accountants	Kalyaniwalla & Mistry LLP, Chartered Accountants
5.	Date of appointment	28 April 2023	5 May 2022	28 April 2023	5 May 2022
6.	Period of appointment	From the conclusion of 23rd AGM till conclusion of 28th AGM	From the conclusion of 22nd AGM till conclusion of 27th AGM	From the conclusion of 22nd AGM till conclusion of 27th AGM	From the conclusion of 21st AGM till conclusion of 26th AGM
7.	Other details	BAGIC is a joint venture between Bajaj Finserv Ltd. and Allianz SE. The Company is registered as a General Insurer with IRDAI (Registration No. 113)		BALIC is a joint venture between Bajaj Finserv Ltd. and Allianz SE. The Company is registered as Life Insurer with IRDAI (Registration No. 116)	

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

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

b) Wholly-owned subsidiaries:

Sr. No.	Name of the company	Date of incorporation	Place of incorporation	Particulars	
				Registered office	Other details
1.	Bajaj Finserv Health Ltd. (BFS-Health)	5 July 2019	Pune	Bajaj Auto Ltd., Mumbai-Pune Road, Akurdi Pune - 411 035	BFS-Health provides a healthcare management platform that integrates various parts of the healthcare ecosystem and uses technology to improve the health outcomes of its customers.
2.	Bajaj Finserv Ventures Ltd. (BFS-Ventures)	27 September 2021	Pune	Bajaj Finserv Ltd., S. No.208/1B, Lohagaon, Viman Nagar, Pune - 411 014	BFS-Ventures is engaged in the business of alternative investments in properties and start-ups. In addition it also undertakes the business of debt management services, business process outsourcing, and all allied services related to the management of human resources.
3.	Bajaj Finserv Mutual Fund Trustee Ltd. (BFS-Trustee)	11 October 2021	Pune	S. No. 208/1B, Lohegaon, Viman Nagar, Pune - 411 014	BFS-Trustee is the Trustee for the Bajaj Finserv Mutual Fund. They are entrusted with the responsibility of supervising the activities of asset management company and mutual fund and discharging other obligations under the SEBI (Mutual Fund) Regulations, 1996.

Sr. No.	Name of the company	Particulars			
		Date of incorporation	Place of incorporation	Registered office	Other details
4.	Bajaj Finserv Asset Management Ltd.(BFS-AMC)	18 October 2021	Pune	S. No. 208/1B, Lohegaon, Viman Nagar, Pune - 411 014	BFS-AMC acts as an asset management company for Bajaj Finserv Mutual Fund.

Other subsidiaries of the Company include Bajaj Finserv Direct Ltd. and Bajaj Financial Securities Ltd. (wholly owned subsidiary of BFL).

During FY2024, BFS-Health entered into a share purchase agreement for acquisition of 100% equity stake in Vidal Healthcare Services Private Limited (VHC). More details pertaining to VHC acquisition are provided in the [Directors' Report](#).

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

During the year under review, no company became or ceased to be our subsidiary or joint venture company. The Company does not have any associate company.

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

As on 31 March 2024, the combined market capitalisation of BFS and BFL, listed material subsidiary, is approximately ₹ 710,752.74 crore.

Loans and advances

During FY2024, the Company and its subsidiaries have not provided any loans and advances in the nature of loans to firms/companies in which the directors are interested.

Share Capital

The paid-up equity share capital as on 31 March 2024 was ₹ 159.55 crore consisting of 1,595,488,813 fully paid-up equity shares of face value of ₹ 1/-.

The Company has not issued any convertible securities and there are no outstanding convertible securities as on 31 March 2024.

Utilisation of funds raised through Preferential Allotment/Qualified Institutions Placement

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

Related party transactions

All related party transactions ('RPTs') entered during FY2024 were in the ordinary course of business, at arm's length and not material under the Act and SEBI Listing Regulations. Prior approval of the Audit Committee was obtained for all RPTs entered during FY2024. Details of such transactions were placed before the Audit Committee for its noting and review on a quarterly basis.

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

During FY2024, there were no materially significant RPTs that may have had any potential conflict with the interest of the Company at large. The policy on materiality of RPTs stipulating the threshold limits and also on dealing with RPTs which has been approved by the Board has been placed on the Company's website and can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactions.pdf?sc=1&fmt=pdf>

Audit Committee

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

The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act and SEBI Listing Regulations.

The terms of reference of the Committee are in accordance with the Act and SEBI Listing Regulations. These broadly include oversight of the Company's financial reporting process and disclosure of its financial information, review of financial statements, review of compliances and review of systems and controls, approval or any subsequent modification of transactions with related parties, review management letters/ letters of internal control weaknesses issued by the statutory auditors, if any, and review compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended. The detailed terms of reference of the Committee can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/bfs-tor-consolidated-audit-committeepdf?scl=1&fmt=pdf>.

Meetings and attendance

During FY2024, the Audit Committee met five times, viz. 27 April 2023, 27 July 2023, 27 October 2023, 30 January 2024 and 21 March 2024. These meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between any two consecutive meetings.

In addition to the members of the Audit Committee, these meetings were attended by Chief Financial Officer, internal auditor, representative of statutory auditors, cost auditor and other senior executives who were considered necessary for providing inputs to the Committee.

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

Dr. Naushad Forbes, Chairman of the Committee, was present at the AGM which was held through video conferencing (VC) on 27 July 2023 to answer members' queries.

Effective 1 April 2023, all members of the Committee comprise of only independent directors.

Table 3: Composition of the Audit Committee and attendance record of the members for FY2024:

Sr. No.	Name of director	Member of committee since	Category	No. of meetings held during FY2024 (5)	
				Entitled to attend	Attended
1.	Dr. Naushad Forbes	13 September 2017	Chairman, Non-executive, independent	5	5
2.	D J Balaji Rao*	30 January 2008	Non-executive, independent	3	3
3.	Pramit Jhaveri	1 May 2022	Non-executive, independent	5	5
4.	Anami N Roy	1 April 2023	Non-executive, independent	5	5

*Ceased as a member w.e.f. 28 November 2023

During FY2024, the Board had accepted all recommendations of the Committee.

Nomination and Remuneration Committee

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

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

devising a policy on Board diversity and such other matters as may be prescribed under the Act and SEBI Listing Regulations.

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

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

Meetings and attendance

During FY2024, the Committee met five times, viz. 27 April 2023, 15 September 2023, 27 October 2023, 30 January 2024 and 21 March 2024.

Late D J Balaji Rao, Chairman of the Committee was present at the AGM of the Company held through VC on 27 July 2023, to answer shareholders' queries.

Changes in composition of NRC during FY2024

Details of change in composition of the Committee during FY2024 is as given below:

Sr. No.	Name of director	Capacity	Nature of change	Effective date
1.	D J Balaji Rao	Non-executive, independent	Cessation due to death	28 November 2023
2.	Sanjiv Bajaj	Executive, non-independent	Cessation as a member	30 December 2023*
3.	Anami N Roy	Non-executive, independent	Elected as Chairman of the Committee	30 January 2024

* close of business hours

Table 4: Composition of the NRC and attendance record of the members for FY2024:

Sr. No.	Name of director	Member of committee since	Category	No. of meetings held during FY2024 (5)	
				Entitled to attend	Attended
1.	Anami N Roy	1 October 2021	Chairman, Non-executive, independent	5	4
2.	D J Balaji Rao	30 January 2008	Non-executive, independent	3	3
3.	Dr. Naushad Forbes	1 October 2021	Non-executive, independent	5	5
4.	Manish Kejriwal	17 May 2019	Non-executive, independent	5	3
5.	Radhika Haribhakti	1 May 2022	Non-executive, independent	5	5
6.	Sanjiv Bajaj	28 April 2021	Executive, non-independent	3	3

During FY2024, the Board had accepted all recommendations of the Committee.

The Company has in place performance evaluation criteria for Board, Committees, Chairperson and directors. The criteria for evaluation of independent directors, *inter alia*, includes attendance and participation, acting in good faith, openness to ideas, pro-active and positive approach with regard to Board and senior management particularly the arrangements for management of risk and the steps needed to meet challenges from the competition, independence and independent views and judgement, etc.

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

Risk Management Committee

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

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

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

Risk Management

As BFS is an unregistered CIC, there are no significant risks that arise other than those arising from its material subsidiaries.



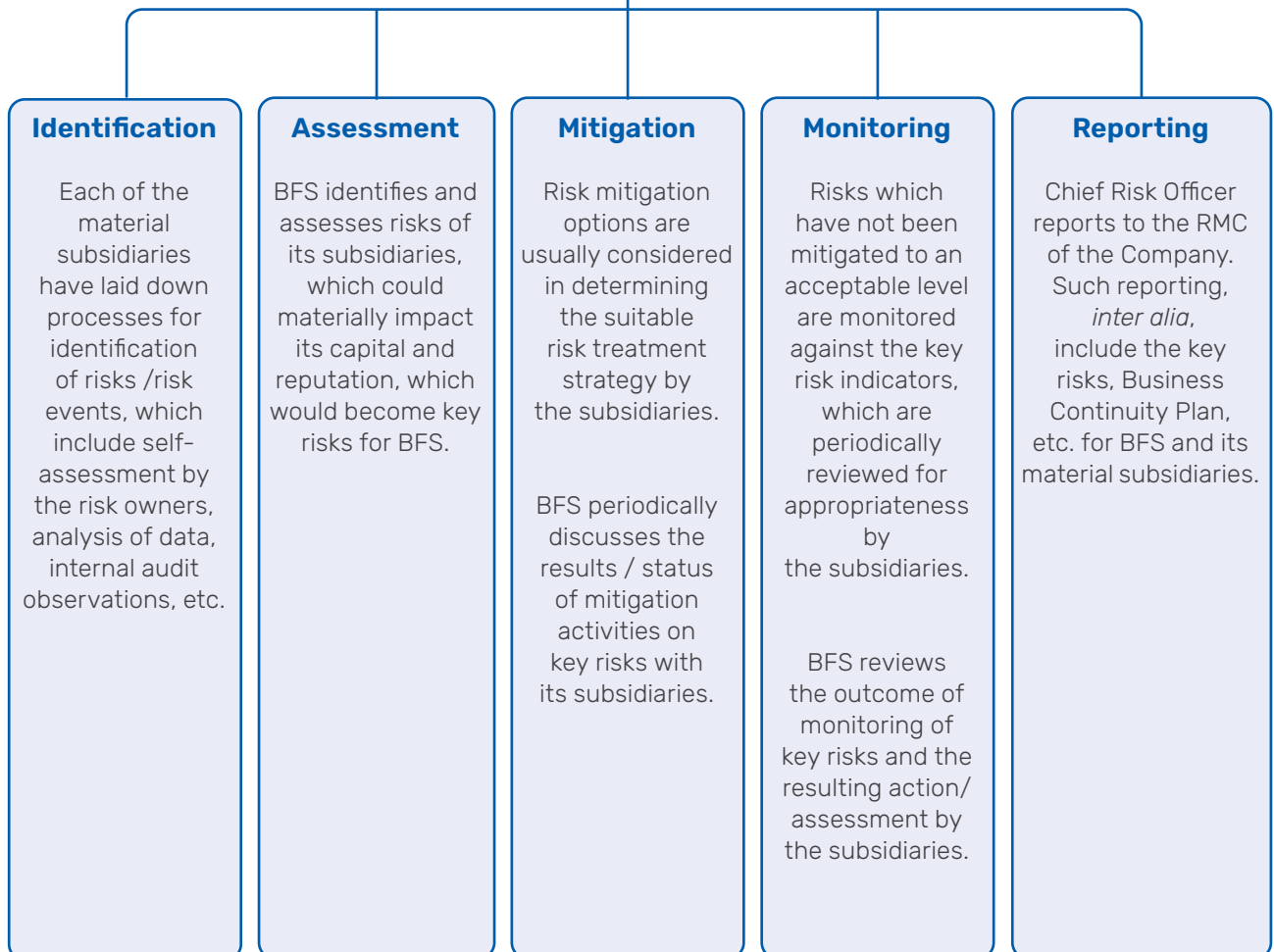
Approach

The primary approach of BFS's risk management is 'bottoms up', which is monitoring the risks of material subsidiaries which individually or in aggregate could culminate into a key capital or reputational risk for the Company.



Framework

BFS engages with its subsidiaries to understand the nature of risks, the assessment of risks as regards its criticality (severity and likelihood), mitigating actions and controls, monitoring and reporting of the same on a periodical basis to its Risk Management Committee.



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

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

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

Meetings and attendance

During FY2024, the Committee met three times, viz. 27 July 2023, 15 September 2023 and 30 January 2024.

Table 5: Composition of the RMC and attendance record of the members for FY2024:

Sr. No.	Name of director	Member of committee since	Category	No. of meetings held during FY2024 (3)	
				Entitled to attend	Attended
1.	Dr. Naushad Forbes	17 March 2020	Chairman, non-executive, independent	3	3
2.	Pramit Jhaveri	1 May 2022	Non-executive, independent	3	3
3.	Sanjiv Bajaj	14 October 2014	Executive, non-independent	3	3
4.	Anish Amin	17 May 2019	President-Group Risk, Assurance & Human Resources	3	3

During FY2024, the Board accepted all recommendations of the Committee.

Stakeholders Relationship Committee

Pursuant to the Act and SEBI Listing Regulations, the Company has constituted a Stakeholders Relationship Committee (SRC). This Committee specifically looks into the grievances of the equity shareholders of the Company.

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

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

Meetings and attendance

During FY2024, the Committee met once on 21 March 2024, to review the status of investors' services rendered. The Secretarial Auditor as well as the Company Secretary were present at the said meeting.

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

Dr. Naushad Forbes, Chairman of the Committee, was present at the AGM of the Company held through VC on 27 July 2023, to answer shareholders' queries.

Table 6: Composition of the SRC and attendance record of the members for FY2024:

Sr. No.	Name of director	Member of committee since	Category	No. of meetings held during FY2024 (1)	
				Entitled to attend	Attended
1.	Dr. Naushad Forbes	17 March 2020	Chairman, non-executive, independent	1	1
2.	Sanjiv Bajaj	30 January 2008	Executive, non-independent	1	1
3.	Radhika Haribhakti	1 May 2022	Non-executive, independent	1	1

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

During FY2024, the Board accepted all recommendations of the Committee.

Table 7: Details of the investor complaints received during FY2024:

No. of complaints outstanding at the beginning of the year	No. of complaints received	No. of complaints not solved to the satisfaction of the shareholders	No. of complaints solved	No. of complaints pending at the end of the year*
0	8	0	7	1

* the pending complaint was subsequently resolved.

Duplicate Share Certificate Issuance Committee

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

As a measure to enhance ease of dealing in securities market by the investors, SEBI through its circular dated 25 January 2022, has mandated listed entities to issue securities in dematerialised form only while processing any service request including issue of duplicate share certificate.

Meeting and Attendance

During FY2024, the Committee met once on 21 March 2024.

Table 8: Composition of the Duplicate Share Certificate Issuance Committee and attendance record of the members for FY2024:

Sr. No.	Name of director	Category	No. of meetings held during FY2024 (1)	
			Entitled to attend	Attended
1.	Sanjiv Bajaj	Chairman, executive, non-independent	1	1
2.	Rajiv Bajaj	Non-executive, non-independent	1	1
3.	Manish Kejriwal	Non-executive, non-independent	1	1

Strategic Investment Committee

To facilitate the Board with appropriate recommendations with respect to strategic investments, the the Board, constituted a Strategic Investment Committee w.e.f. 1 October 2023. The Committee comprises of majority of independent directors. The role of the Committee is to evaluate investment opportunities in the nature of acquisition, takeover, and similar or like proposals, to approve further investments in securities of subsidiary companies, to monitor investments made in subsidiary/ associate/ JV companies and to discharge such other functions as may be assigned by the Board.

Meeting and Attendance

During FY2024, the Committee met two times on 11 October 2023 and 11 January 2024.

Table 9: Composition of the Strategic Investment Committee and attendance record of the members for FY2024:

Sr. No.	Name of director	Category	No. of meetings held during FY2024 (2)	
			Entitled to attend	Attended
1.	Pramit Jhaveri	Chairman, non-executive, independent	2	2
2.	Radhika Haribhakti	Non-executive, independent	2	2
3.	Anami N Roy	Non-executive, independent	2	2
4.	Sanjiv Bajaj	Executive, non-independent	2	2

Corporate Social Responsibility

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

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

Meeting and Attendance

During FY2024, the Committee met two times on 26 April 2023 and 20 March 2024.

Table 10: Composition of the CSR Committee and attendance record of the members for FY2024:

Sr. No.	Name of director	Category	No. of meetings held during FY2024 (2)	
			Entitled to attend	Attended
1.	Dr. Naushad Forbes	Chairman, non-executive, independent	2	2
2.	Anami N Roy	Non-executive, independent	2	2
3.	Sanjiv Bajaj	Executive, non-independent	2	2

Remuneration of Directors

Pecuniary relationship/transaction with non-executive directors

During FY2024, there were no pecuniary relationship/transactions of any non-executive directors with the Company, other than receiving remuneration as directors.

Criteria of making payments to non-executive directors

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

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

Details of Remuneration of directors

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

Chairman & Managing Director

The tenure of Sanjiv Bajaj, Chairman & Managing Director (CMD) of the Company is of five years up to 31 March 2027 with a notice period of ninety days and is governed by a service contract. The same is in compliance with the applicable provisions of the Act. Salary and perquisites include all elements of remuneration and is entitled for performance incentives.

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

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

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

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

Management

Management discussion and analysis

This is given as a separate section in the [Annual Report](#).

Disclosure of material transactions

Pursuant to the SEBI Listing Regulations, senior management is required to make disclosures to the Board relating to all material, financial and commercial transactions, where they had or were deemed to have had personal interest that might have been in potential conflict with the interest of the Company at large. As per the disclosures submitted by the senior management, there were no such transactions during FY2024.

Compliances regarding insider trading

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

By frequent communications, the Company also makes the designated persons aware of their obligations under the SEBI PIT Regulations. Training sessions are also organised for Designated Persons on a periodic basis for creating awareness.

The Audit Committee and the Board at its meeting held on 21 March 2024 had reviewed the compliance in terms of regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to the SEBI PIT Regulations are adequate and are operating effectively.

Means of Communication

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

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

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

Green Initiatives

Sections 20 and 136 of the Act, read with relevant rules, permit companies to service delivery of documents electronically to the registered email ID of the members.

In compliance with the said provisions and as a continuing endeavour towards the 'Go Green' initiative, the Company proposes to send all correspondence/communications through email to those shareholders who have registered their email ID with their depository participant's/Company's RTA.

During FY2024, the Company sent documents, such as notice convening the annual general meeting, postal ballot notice, audited financial statements, Directors' Report, Auditors' Report, credit of dividend intimation letters, half yearly communications, etc. in electronic form to the email addresses provided by the members and made available by them to the Company through the Depositories.

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

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

Sr. No.	Details of AGM	Date and time of AGM	Details of special resolution(s) passed at the AGM	Voting percentage of shareholders participated		
				Particulars	%Favour	%Against
1.	14th AGM – Through VC Deemed Venue: Registered office	21 July 2021 at 12:15 p.m.	NIL			
2.	15th AGM – Through VC Deemed Venue: Registered office	28 July 2022 at 12:15 p.m.	NIL		Not Applicable	
3.	16th AGM – Through VC Deemed Venue: Registered office	27 July 2023 at 12:15 p.m.	NIL			

The recording of last AGM is hosted on the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-disclosures-under-regulation-46-of-sebi-lodr> and written transcript of the same can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>

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

I. Postal ballot notice dated 27 October 2023:

- a) Details of special resolution and voting pattern:

Sr. No.	Particulars	Voting percentage of shareholders participated		
		Particulars	% Favour	% Against
1.	Re-appointment of Anami N Roy (DIN: 01361110) as an Independent Director of the Company for a second term of five consecutive years w.e.f. 1 January 2024	All shareholders Non-promoter category	95.73 80.28	4.27 19.72

- b) Details of scrutiniser : Shyamprasad D. Limaye (FCS No. 1587, CP No. 572)
 c) Date of scrutiniser's report: 8 December 2023
 d) Date of passing the resolutions (last date of for voting): 7 December 2023

II. Postal ballot notice dated 30 January 2024:

a) Details of special resolutions and voting pattern:

Sr. No.	Particulars	Voting percentage of shareholders participated		
		Particulars	% Favour	% Against
1.	Modification to Bajaj Finserv Limited Employee Stock Option Scheme	All shareholders	99.55%	0.45%
		Non-promoter category	97.98%	2.02%
2.	Approval to extend the benefits and grant of options to the employee(s) of holding and/ or subsidiary company(ies) under the Bajaj Finserv Limited Employee Stock Option Scheme	All shareholders	96.80%	3.20%
		Non-promoter category	85.56%	14.44%

b) Details of scrutiniser: Shyamprasad D. Limaye (FCS No. 1587, CP No. 572)

c) Date of scrutiniser's report: 26 March 2024

d) Date of passing the resolutions (last date of for voting): 23 March 2024

The scrutiniser's report for the above postal ballot has been placed on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-stock-exchange-filings>

As on date of this report, no special resolution is proposed to be conducted through postal ballot.

Procedure for Postal Ballot

Pursuant to the provisions of the Act, postal ballot notice is dispatched only through electronics means at the registered email addresses of the members. The Company also provides a facility to those members who have not registered their mail addresses.

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

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

Pursuant to the provisions of the Act, the Company appoints a scrutiniser for conducting the postal ballot process in a fair and transparent manner. The scrutiniser submits his consolidated report to the Chairman & Managing Director and the voting results are announced by the Chairman & Managing Director by placing the same along with the scrutiniser's report on the Company's website, besides being communicated to the stock exchanges. The resolution, if passed by requisite majority, is deemed to have been passed on the last date specified by the Company for receipt of duly completed postal ballot forms or remote e-voting.

Details of capital market non-compliance, if any

The Company has complied with all applicable legal requirements. No penalty or stricture has been imposed on the Company by any of the stock exchanges, SEBI or any other statutory authority, in any matter related to capital markets, during the last three years.

Compliance Certificate

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

Report on Corporate Governance

This section read together with the information given in the [Directors' Report](#), the section on [Management Discussion and Analysis](#) and [General Shareholder Information](#), constitute the compliance report on Corporate Governance during FY2024. The Company has been submitting the quarterly corporate governance compliance report to the stock exchanges as required under regulation 27(2) of the SEBI Listing Regulations.

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

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

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

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

Details as required under the POSH Act are as under:

Sr. No.	Particulars	No. of complaints
1.	No. of complaints filed during the year ended 31 March 2024	Nil
2.	No. of complaints disposed of during the financial year	Nil
3.	No. of pending complaints as on 31 March 2024	Nil

Fees paid to Statutory Auditors

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

Sr. No.	Particulars	Amount (in ₹)
1	Audit Fees including Limited review fees	8,050,000
2	Fees for other services	3,227,419
	Total	11,277,419

Senior Management

The Board of Directors, based on the recommendations of NRC, has identified category of Senior Management Personnel(s) (SMTs), pursuant to the provisions of regulation 16(1)(d) of SEBI Listing Regulations.

Details of SMTs as on 31 March 2024 and changes therein during FY2024 pursuant to provisions of Schedule V (C)(5B) of the SEBI Listing Regulations are as follows:

Sr. No.	Name of SMTs	Designation	Effective date
1.	V Rajagopalan	President - Legal and Taxation	
2.	S Sreenivasan	Chief Financial Officer	
3.	Anish Amin	President - Risk, Assurance and HR	
4.	Purav Jhaveri	President - Investments	
5.	Dr. N Srinivasa Rao	Chief Economist & President - Corporate Affairs	
6.	Ramaswamy Subramaniam	President- Private Equity	Appointed w.e.f. 28 September 2023
7.	Uma Shende	Company Secretary	
8.	Ajay Sathe	Group Head - Customer Experience & CSR	Ceased w.e.f. 31 May 2023
9.	Ranjit Gupta	President - Insurance	Ceased w.e.f. 30 June 2023

Disclosure of certain types of agreements

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

Auditors' certificate on corporate governance

The Company has obtained a certificate from its statutory auditors regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations.

This certificate is annexed to the [Directors' Report](#).

Compliance of mandatory and discretionary requirements

Mandatory

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

Discretionary

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

1. Shareholder rights

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

2. Modified opinion(s) in audit report

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

General shareholder information containing requisite disclosures under schedule V of SEBI Listing Regulations is annexed to this Report.

Declaration by Chief Executive Officer (CMD)**[Regulation 34(3) read with schedule V (Part D) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]**

To,
The Board of Directors
Bajaj Finserv Ltd.

I, Sanjiv Bajaj, Chairman & Managing Director of Bajaj Finserv Limited hereby declare that all the board members and senior managerial personnel have affirmed compliance with the code of conduct of the Company laid down for them for the year ended 31 March 2024.

Sanjiv Bajaj

Chairman & Managing Director

26 April 2024
Pune

List of key policies of Bajaj Finserv Limited

Sr. No.	Name of Policy	Website link
1.	Dividend Distribution Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dividend-policypdf?scl=1&fmt=pdf
2.	Disciplinary Actions and Grievance Redressal Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/dac-policypdf-1?scl=1&fmt=pdf
3.	Policy for determining material subsidiaries	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-material-subsidiariespdf?scl=1&fmt=pdf
4.	Archival Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/archival-policy-v1pdf-1?scl=1&fmt=pdf
5.	Performance Evaluation Criteria for Board, Committees of Board, Chairperson and Directors	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/board-evaluation-criteriapdf?scl=1&fmt=pdf
6.	Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/bfs-signed-fair-disclosure-code-12-march-2019pdf-1?scl=1&fmt=pdf
7.	Code of Conduct	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-conduct-for-directors-and-senior-management-v2pdf-1?scl=1&fmt=pdf
8.	Corporate Social Responsibility (CSR) Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/csr-policypdf-1?scl=1&fmt=pdf
9.	Policy on Determination of Materiality for Disclosure of Events	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-determination-of-materiality-for-disclosure-of-events-and-information-v1pdf?scl=1&fmt=pdf
10.	Prevention of sexual harassment at Workplace	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harrassement-at-workplace-v2pdf?scl=1&fmt=pdf
11.	Whistle-Blower Policy/Vigil Mechanism	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/whistle-blower-policypdf-1?scl=1&fmt=pdf
12.	Remuneration Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-v3pdf?scl=1&fmt=pdf
13.	Policy on Materiality of and dealing with Related Party Transactions	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-on-materiality-of-and-dealing-with-related-party-transactionspdf?scl=1&fmt=pdf
14.	Familiarisation Programme for Independent Directors	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/familiarisation-programme-for-independent-directors-19-4-24pdf?scl=1&fmt=pdf
15.	CII Code of Conduct	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/cii-code-of-conduct-signedpdf-1?scl=1&fmt=pdf
16.	CII Charters of Fair and Responsible workplace Guidelines contract labour	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/cii-charter-on-fair-and-responsible-workplace-guidelines-contract-labour-v1pdf?scl=1&fmt=pdf
17.	Responsible and Sustainable Business Conduct Policy	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/responsible-and-sustainable-business-conduct-policy-v1pdf?scl=1&fmt=pdf
18.	Employee Charter and Human Rights Statement	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/employee-charter-and-human-rights-statementpdf-1?scl=1&fmt=pdf
19.	Code of Ethics and personal conduct	https://cms-assets.bajajfinserv.in/is/content/bajajfinance/code-of-ethics-and-personal-conductpdf-1?scl=1&fmt=pdf



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General Shareholder Information

17th Annual General Meeting (AGM)

Day and Date	Wednesday, 24 July 2024
Time	12:15 p.m. (IST)
Mode of AGM	In-person (Physical AGM)
Venue of the Meeting	Hotel Hyatt Regency, Viman Nagar, Pune – 411 014
Live webcast link	https://emeetings.kfintech.com/
Remote e-voting starts	Sunday, 21 July 2024 9:00 am (IST)
Remote e-voting ends	Tuesday, 23 July 2024 5:00 pm (IST)
E-voting at AGM	Wednesday, 24 July 2024
Financial Year ('FY')	1 April 2023 to 31 March 2024

Tentative meeting schedule for financial reporting

The tentative months for meetings of Audit Committee and Board of Directors for consideration of standalone and consolidated financial results during the Financial Year 2024-25 are as follows:

Sr. No.	Particulars	Indicative Month
1.	Quarter ending 30 June 2024 (unaudited)	July 2024
2.	Quarter and half year ending 30 September 2024 (unaudited)	October 2024
3.	Quarter and nine month ending 31 December 2024 (unaudited)	January 2025
4.	Financial year / quarter ending 31 March 2025 (audited)	April 2025

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

Registrar and Share Transfer Agent ('RTA')

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

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

The Company ('Bajaj Finserv', 'Bajaj Finserv Ltd.', 'BFS') has an agreed service timelines and standards for various shareholder's related services with KFin. On an on-going basis, the secretarial team engages with officials of KFin at various levels for review of these standards and other share related activities. Periodic meetings and discussions are held to understand the concerns of shareholders, deviations, if any, in the agreed timelines for processing service requests, best industry practices and other measures to strengthen shareholders related services. In addition, the activities at KFin are also reviewed by the Stakeholders' Relationship Committee and internal audit team.

Share transfer system

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

The Securities and Exchange Board of India ('SEBI') vide its circular dated 25 January 2022, has mandated listed entities to issue shares in dematerialised form only while processing any service requests.

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

Dividend and date of payment

The Board of Directors ('Board') have recommended a dividend of ₹ 1 per equity share (100%) of the face value of ₹1 for FY2024, subject to approval of the members at the ensuing AGM.

Dividend on equity shares, if declared, at the AGM, will be credited / dispatched on Friday, 26 July 2024 and / or Saturday, 27 July 2024, to all eligible shareholders holding shares as of the end of the day on Friday, 21 June 2024 ('record date').

Payment of dividend

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

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

SEBI, vide its circular dated 16 March 2023 read along with circular dated 17 November 2023, mandated that the security holders holding securities in physical form, whose folio(s) do not have PAN (Aadhar seeded) or choice of nomination or contact details or mobile number or bank account details or specimen signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from 1 April 2024, upon furnishing all the aforesaid details in entirety.

After successful updation of the details, the security holder would receive all the dividends declared during that period (from 1 April 2024 till date of updation) in respect of the folio.

For enabling payment of dividend through electronic mode, members holding shares in physical mode are requested to send Form ISR-1/ISR-2/SH-13 or ISR-3 along with requisite documents to KFin. The forms can be downloaded from the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-forms> and KFin at <https://ris.kfintech.com/clientservices/isc/isrforms.aspx>.

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

Tax deducted at source ('TDS') on dividend

Pursuant to the changes introduced by the Finance Act, 2020, with effect from 1 April 2020, Dividend Distribution Tax will not be payable by the Company. The dividend, if declared will be taxable in the hands of the members. The TDS rate would vary depending on the residential status of the members and the documents submitted by them and accepted by the Company. For more details, members are requested to refer to the [Notice of AGM](#).

Unclaimed dividend

As per section 124(5) of Companies Act, 2013 (the 'Act'), any money transferred by the Company to the unpaid dividend account and remaining unclaimed for a period of seven years from the date of such transfer shall be transferred to the Investor Education and Protection Fund ('Fund' or 'IEPF') set up by the Central Government. Accordingly, unpaid/unclaimed dividends for FY2008 to FY2016 have already been transferred by the Company to the said Fund from FY2015 onwards.

The unpaid/unclaimed interim dividend for FY2017, shall be transferred to the Fund in September 2024. Members were requested to verify their records and send their claim, if any, for the said year, before such amount becomes due for transfer. Communications in this regard are being sent to members, who had not claimed dividend, requesting them to claim the same as well as unpaid dividend, if any, for subsequent years.

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

Year	Dividend Type	Date of Declaration	Last date for claiming dividend	Date of transfer to fund (on or before)
2016-2017	Final	19 July 2017	18 August 2024	17 September 2024
2017-2018	Final	19 July 2018	18 August 2025	17 September 2025
2018-2019	Final	25 July 2019	24 August 2026	23 September 2026
2019-2020	Interim (Confirmed as Final)	21 February 2020	22 March 2027	21 April 2027
2020-2021	Final	21 July 2021	20 August 2028	19 September 2028
2021-2022	Final	28 July 2022	27 August 2029	26 September 2029
2022-2023	Final	27 July 2023	26 August 2030	25 September 2030

The Company has also hosted the details of unclaimed dividend, on its website at <https://www.aboutbajajfinserv.com/investor-relations-shareholders-information-listing-on-stock-exchange> and also on website specified by the Ministry of Corporate Affairs ('MCA') <https://www.iepf.gov.in/IEPFWebProject/SearchInvestorAction.do?method=gotoSearchInvestor>

Initiatives for reduction of unclaimed dividend

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

The Company will endeavour to undertake various initiatives in this regard.

Initiatives for reduction of undelivered share certificates

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

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

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

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

Transfer of shares to IEPF

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

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

During FY2024, the Company transferred 36,581 equity shares of face value of ₹ 1 in respect of 54 shareholders to Demat Account of the IEPF Authority held with NSDL.

Members can claim such shares and unclaimed dividends transferred to the Fund by following the procedure prescribed under the IEPF Rules. As advised by MCA through its circular dated 19 July 2018, the Company

has provided an access link to the refund webpage of IEPF Authority on its website at <https://www.aboutbajajfinserv.com/investor-relations-shareholders-information-listing-on-stock-exchange> to facilitate easy refund procedure for its investors/claimants. Members are requested to get in touch with the nodal officer for further details on the subject at investors@bajajfinserv.in/uma.shende@bajajfinserv.in.

Dematerialisation/rematerialisation of shares

During FY2024, 7,108,670 shares of face value of ₹ 1 were dematerialised. No share was rematerialised during FY2024. Shares held in physical and electronic mode as on 31 March 2024 are given in Table 1.

Table 1: Shares held in physical and electronic mode:

Particulars	Position as on 31 March 2024		
	No. of holders	No. of shares	% of total shareholding
Demat:			
NSDL	206,047	1,154,050,054	72.33
CSDL	379,540	436,925,828	27.39
Sub-Total (a)	585,587	1,590,975,882	99.72
Physical (b)	531	4,512,931	0.28
Total (a+b)	586,118	1,595,488,813	100.00

Liquidity

The equity shares of the Company are listed on BSE Ltd. ('BSE') and National Stock Exchange of India Ltd. ('NSE') and are frequently traded. The summary of average daily turnover in equity shares of the Company on both the stock exchanges for FY2024 is shown as below:

Sr. No.	Name of the Stock Exchange	Average no. of shares traded on daily basis	Average value of shares traded on daily basis (₹ In Crore)
1.	BSE	67,089	10.47
2.	NSE	1,431,546	222.20
	Total	1,498,635	232.67

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

Listing on Stock Exchanges and Stock Code

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

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

Annual listing fees, as prescribed, have been paid to the said stock exchanges up to 31 March 2025.

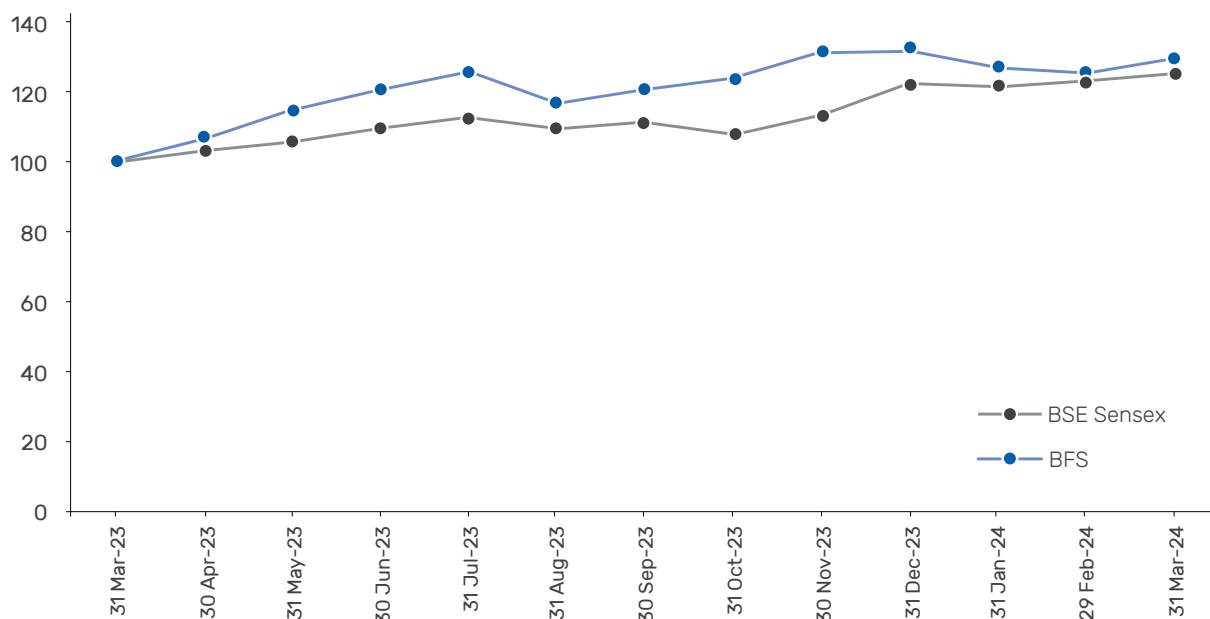
Market Price Data

Table 2: Monthly highs and lows of equity shares of Bajaj Finserv Ltd. during FY2024 (vis-à-vis BSE Sensex and Nifty50)

Month	BSE		NSE		Closing BSE Sensex	Closing Nifty 50
	High	Low	High	Low		
April 2023	1,374.30	1,266.00	1,374.00	1,265.50	61,112.44	18,065.00
May 2023	1,468.00	1,329.50	1,468.50	1,330.00	62,622.24	18,534.40
June 2023	1,552.75	1,444.00	1,553.30	1,444.00	64,718.56	19,189.05
July 2023	1,664.90	1,527.00	1,664.90	1,526.60	66,527.67	19,753.80
August 2023	1,597.05	1,451.10	1,599.95	1,451.00	64,831.41	19,253.80
September 2023	1,590.50	1,488.25	1,591.00	1,487.35	65,828.41	19,638.30
October 2023	1,676.40	1,521.05	1,676.75	1,521.15	63,874.93	19,079.60
November 2023	1,679.50	1,530.00	1,679.90	1,527.90	66,988.44	20,133.15
December 2023	1,741.85	1,638.00	1,741.00	1,637.05	72,240.26	21,731.40
January 2024	1,724.00	1,558.70	1,723.95	1,559.00	71,752.11	21,725.70
February 2024	1,663.55	1,552.00	1,664.00	1,551.50	72,500.30	21,982.80
March 2024	1,669.00	1,531.60	1,669.00	1,530.80	73,651.35	22,326.90

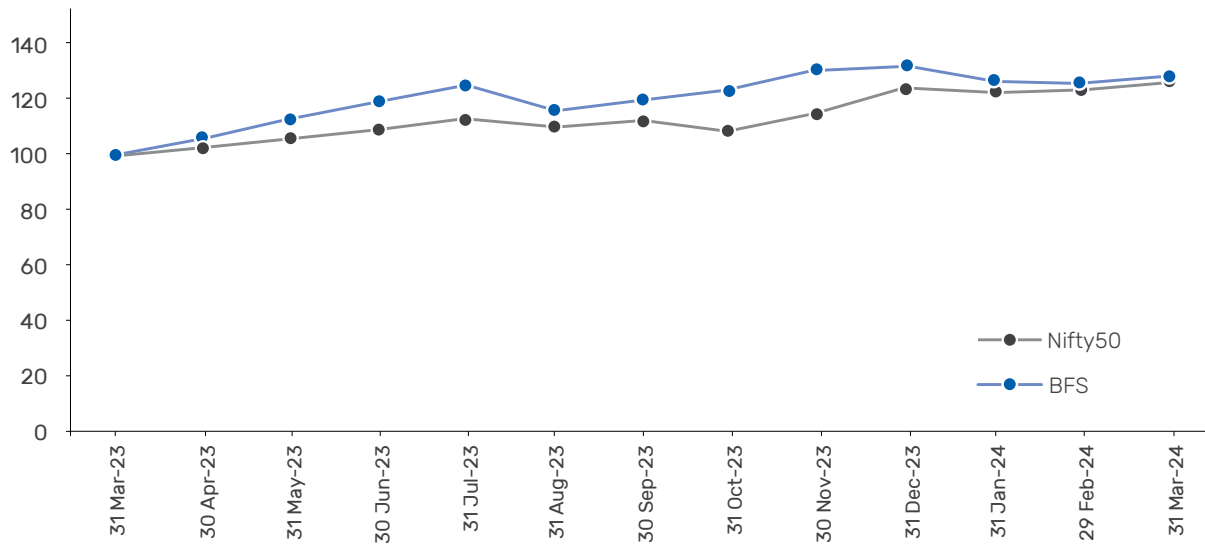
Chart: Performance in comparison

Bajaj Finserv Ltd. stock performance v. BSE Sensex, indexed to 100 on 31 March 2023



The above graph is based on closing price of equity share on BSE

Bajaj Finserv Ltd. stock performance v. Nifty50, indexed to 100 on 31 March 2023

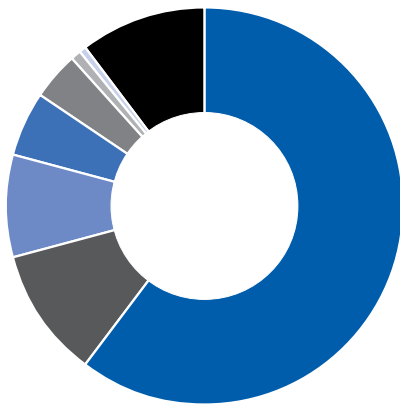


The above graph is based on closing price of equity share on NSE

Distribution of Shareholding

Table 3 gives details about the pattern of shareholding across various categories, while Table 4 gives the data according to size classes.

Table 3: Distribution of shareholding across categories as on 31 March 2024



Category	% to capital
Promoter and promoter group	60.69
Resident Individuals	10.80
Foreign Institutional Investor/ Foreign Portfolio Investor	8.43
Bodies Corporate/ NBFC	5.19
Mutual Funds/ Financial Institutions/ Banks	3.86
Non-Resident Individual/ Foreign National	0.88
Alternate Investment Funds	0.09
Others	10.07
Total	100.00

Table 4: Distribution of shareholding according to size class as on 31 March 2024

Category	No. of Members	% to total Members	No. of shares held	% to total Capital
1 - 1000	572,169	97.62	34,068,070	2.14
1001 - 5000	9,272	1.58	20,541,420	1.29
5001 - 10000	1,618	0.28	11,711,853	0.73
10001 - 100000	2,426	0.41	71,110,885	4.46
100001 - 500000	416	0.07	91,813,939	5.75
500001 - 1000000	78	0.01	56,617,432	3.55
1000001 and above	139	0.02	1,309,625,214	82.08
Total	586,118	100.00	1,595,488,813	100.00

Credit rating

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

Shareholders' and investors' grievances

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

Freezing of folio pursuant to SEBI Circular dated 17 November 2023: SEBI vide its circular dated 17 November 2023 has done away with the requirements of freezing of folio and referral of the frozen folio to administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.

SEBI has also released a FAQ in respect of various service request including the payment of dividend. The copy of said FAQs is hosted on Company's website at <https://www.aboutbajajfinserv.com/investor-relations-forms>

Payment of dividend through electronic mode only in case of physical folios: SEBI vide its circular dated 16 March 2023 read along with circular dated 17 November 2023, mandated that the security holders (holding securities in physical form), whose folio(s) do not have PAN (Aadhar seeded) or Choice of Nomination or Contact Details or Mobile Number or Bank Account Details or Specimen Signature updated, shall be eligible for any payment including dividend, interest or redemption in respect of such folios, only through electronic mode with effect from April 01, 2024, upon furnishing all the aforesaid details in entirety.

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

Online Dispute Resolution ('ODR') Mechanism: In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated 31 July 2023, as amended from time to time, read with Master circular dated 28 December 2023, introduced a common ODR mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

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

Demat suspense account for unclaimed shares

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

Status of Unclaimed Suspense Account as on 31 March 2024 is given below:

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

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

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

Certifications obtained from Practising Company Secretary

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

Regulation	Frequency	Certificate Requirement
Regulation 40(9) of the SEBI Listing Regulations	Annually	Compliance with the stipulated timelines of lodgement of transmission, sub-division, consolidation, renewal, exchange, or endorsement of calls/allotment monies by the Company.
Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018	Quarterly	Reconciliation of the total issued capital, listed capital and capital held by Depositories in dematerialised form, the details of changes in share capital during the quarter and the in-principle approval obtained by the issuer from all the stock exchanges where it is listed in respect of such further issued capital.

Live webcast of AGM

Pursuant to regulation 44(6) of the SEBI Listing Regulations, top 100 listed entities shall, provide one-way live webcast of the proceedings of their AGM. Accordingly, the Company has entered into an arrangement with KFin to facilitate live webcast of the proceedings of the ensuing AGM scheduled on Wednesday, 24 July 2024.

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

Outstanding convertible instruments/ ADRs/ GDRs/ Warrants

The Company has not issued any convertible instruments/ ADRs/ GDRs/ Warrants as on date.

Commodity price/foreign exchange risk and hedging activities

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

Plant Location

Bajaj Finserv Ltd. being an unregistered core investment company pursuant to Master Direction on Core Investment Companies (Reserve Bank) Directions, 2016, does not have any manufacturing plant.

Address for Correspondence

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

Investor Support Centre

In view of SEBI Circular dated 8 June 2023, KFin has launched an online platform for shareholders. The same can be accessed at <https://ris.kfintech.com/default.aspx#>, select 'Investor Services' then go to 'Investor Support' for raising any service requests with KFin.

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

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

Weblinks of few important circulars referred in this report are given below:

Sr. No.	Date of Circular	Link to access
1	16 March 2023	SEBI Common and simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and Nomination
2	26 September 2023	SEBI Extension of timelines (i) for nomination in eligible demat accounts and (ii) for submission of PAN, Nomination and KYC details by physical security holders; and voluntary nomination for trading accounts
3	17 November 2023	SEBI Simplified norms for processing investor's service requests by RTAs and norms for furnishing PAN, KYC details and nominatio
4	27 December 2023	SEBI Extension of timelines for providing 'choice of nomination' in eligible demat accounts and mutual fund folios
5	28 December 2023	SEBI Master Circular for Online Resolution of Disputes in the Indian Securities Market

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Directors' Report

Dear Members,

Your directors present the seventeenth Annual Report along with the audited standalone and consolidated financial statements for 2023-24 (or FY2024).

Company overview

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

Pursuant to demerger of Bajaj Auto Ltd. in 2008, the undertaking comprising of windmills and investment in financial services were transferred to the Company. The shares of the Company were listed on the BSE Ltd. ('BSE') and National Stock Exchange of India Ltd. ('NSE') in the year 2008. As on 31 March 2024, the Company stood at 29th rank based on market capitalisation.

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

Financial Results

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

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

Particulars	₹ In Crore	
	FY2024	FY2023
Total Income	1,733.91	1,147.61
Total expenses	196.99	172.99
Profit before tax	1,536.92	974.62
Tax expense	366.86	242.10
Profit for the year	1,170.06	732.52
Basic and diluted earnings per share	7.3	4.6

Closing balances in reserve/other equity:

Particulars	₹ In Crore	
	FY2024	FY2023
Securities premium account	1,098.48	959.59
General reserve	1,219.58	1,213.79
Share based payment reserve	436.37	313.57
Treasury shares	(104.31)	(117.48)
Retained earnings	3,759.44	2,719.34
Total	6,409.56	5,088.81

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

Highlights of the consolidated financial results are as under:

Particulars	(₹ In Crore)	
	FY2024	FY2023
Total income	110,383.00	82,072.01
Total expenses	89,016.06	65,262.07
Profit before tax	21,375.03	16,811.13
Tax expense	5,779.67	4,601.59
Profit after tax	15,595.36	12,209.54
Profit attributable to non-controlling interests	7,447.57	5,792.26
Profit for the year	8,147.79	6,417.28
Basic earnings per share (₹)	51.2	40.3
Diluted earnings per share (₹)	50.7	40.0

Dividend Distribution Policy

Pursuant to the provisions of regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations'), the Company has formulated a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board in determining the distribution of dividend to its shareholders and/or retaining profit earned. As a part of the review process, the dividend distribution policy was reviewed at the meeting of the Board held on 21 March 2024 and there were no changes to the principles, criteria or parameters set out in the dividend distribution policy basis which dividend is recommended or declared.

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

Dividend

For FY2024, your Directors recommend, for the consideration of members at the ensuing annual general meeting (AGM), payment of final dividend of ₹ 1 per equity share (100%) of face value of ₹ 1, out of the profits for FY2024. The total amount of dividend for FY2024 is ₹ 159.55 crore.

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

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

Adoption of Confederation of Indian Industry (CII) charters

The Company has established several policies covering the Code of Conduct for its directors and employees including anti-corruption clauses, as well as policies for Fair and Responsible Workplace Practices. The list of the important policies adopted by the Company is given in [Report on Corporate Governance](#).

The Company has also signed the following charters of CII in this regard, which further strengthens the Company's commitment to these policies.

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

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

Operations

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

The standalone total income for FY2024 is ₹ 1,733.91 crore as against ₹ 1,147.61 crore for FY2023, whereas the profit after tax for FY2024 stands at ₹ 1,170.06 crore as against ₹ 732.52 crore for FY2023.

The consolidated total income for FY2024 is ₹ 110,383.00 crore as against ₹ 82,072.01 crore for FY2023, whereas the consolidated profit after tax for FY2024 amounted to ₹ 8,147.79 crore as compared to ₹ 6,417.28 crore for FY2023.

Governance of subsidiaries

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

Subsidiaries, associates and joint venture

Following are the subsidiary and joint venture companies of the Company as at 31 March 2024:

Name of the company	% of equity	Relationship
Bajaj Allianz Life Insurance Company Ltd. (BALIC)*	74.00	Subsidiary
Bajaj Allianz General Insurance Company Ltd. (BAGIC)*	74.00	Subsidiary
Bajaj Finance Ltd. (BFL)*	51.34	Subsidiary
Bajaj Housing Finance Ltd. (BHFL) (100% subsidiary of BFL)*	-	Subsidiary
Bajaj Finserv Direct Ltd. (BFS-D)	80.13#	Subsidiary
Bajaj Financial Securities Ltd. (BFinsec) (100% Subsidiary of BFL)	-	Subsidiary
Bajaj Finserv Health Ltd. (BFS-H)	100.00	Wholly-owned subsidiary
Bajaj Finserv Ventures Ltd. (BFS-Ventures)	100.00	Wholly-owned subsidiary
Bajaj Finserv Asset Management Ltd. (BFS-AMC)	100.00	Wholly-owned subsidiary
Bajaj Finserv Mutual Fund Trustee Ltd. (BFS-Trustee)	100.00	Wholly-owned subsidiary
Bajaj Allianz Financial Distributors Ltd. (BAFDL)	50.00	Joint venture
Bajaj Allianz Staffing Solutions Ltd. (BASSL) (100% subsidiary of BAFDL)	-	Joint venture
Snapwork Technologies Private Ltd. (associate of BFL)	41.50**	-
Pennant Technologies Private Ltd. (associate of BFL)	26.53**	-

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

** On fully diluted basis.

#The remaining 19.87% shareholding is held by BFL.

The Company does not have any associate. Further, during FY2024, no new subsidiary was incorporated/acquired. The Company has not entered into a joint venture with any other company. Further, during FY2024, no company ceased to be an associate, subsidiary or joint venture of BFS.

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

The financial statements of the subsidiary companies are also available on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>. The Company's policy for determination of material subsidiary, as adopted by the Board of Directors, in conformity with regulation 16 of the SEBI Listing Regulations, can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/policy-for-material-subsidiariespdf?scl=1&fmt=pdf>

Acquisition of Vidal Healthcare Services Private Ltd.

During FY2024, BFS-H, entered into a share purchase agreement for acquisition of 100% equity stake in Vidal Healthcare Services Private Ltd. ('VHC'). The acquisition of VHC has been completed in April 2024. Vidal Health Insurance TPA Private Ltd. and VH Medicare Private Ltd., two wholly owned subsidiaries of VHC, have in turn become indirect wholly owned subsidiaries of BFS-H and the Company. BFS-H has indirectly acquired ~21.3% equity stake in IntentHealth Technologies Private Ltd., which is an associate of VHC.

The acquisition of VHC significantly expands Bajaj Finserv's capabilities in the healthcare space, empowering it to service consumer needs for hospitalisation.

Preferential issue of warrants by BFL

During the year under review, BFL raised capital through qualified institutions placement and a preferential issue. As a token of commitment and support to BFL, your Company participated in preferential issue.

Accordingly, your Company subscribed to 1,550,000 warrants, fully convertible into equivalent number of equity shares, issued by its subsidiary i.e., BFL at a price of ₹ 7,670 per warrant, pursuant to the provisions of Chapter V of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.

As per the terms of the preferential issue and in accordance with applicable law, 25% of the issue price of the warrants has to be subscribed upon issuance of warrants and the balance 75% may be invested within a maximum period of 18 months from the date of issue. Accordingly, your Company has invested ₹ 297.21 crore on 2 November 2023, i.e., 25% of issue price of warrants and balance ₹ 891.64 crore shall be payable within 18 months.

Directors and Key Managerial Personnel

A. Change in directorate:

i) Re-Appointment:

Anami N Roy (DIN: 01361110):

Pursuant to members approval vide their special resolution dated 7 December 2023, Anami N Roy has been re-appointed as an independent director for a second term of five years w.e.f. 1 January 2024 and also to continue as a director on the Board, post completion of 75 years during his second tenure.

The Board is of the opinion that Anami N Roy is a person of integrity, expertise, experience and proficiency to serve the Company as independent director strengthening the overall composition of the Board.

ii) Sad demise of Independent Director:

Your directors express their profound grief on the sudden demise of D J Balaji Rao. He was an independent director on the Board of the Company since 30 January 2008. He was member of Audit Committee and Chairman of Nomination and Remuneration Committee. He passed away on 28 November 2023 and consequently ceased to be a director of the Company. The Board places on record its sincere appreciation for the invaluable guidance, services and mentorship provided by him in his tenure as a director of the Company.

iii) Directors liable to retire by rotation:

Madhur Bajaj (DIN: 00014593), retires by rotation at the ensuing AGM and has not offered himself for re-appointment.

B. Key managerial personnel ('KMP'):

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

Declaration by independent directors

All the independent directors have submitted a declaration of independence, stating that they meet the criteria of independence provided under section 149(6) of the Companies Act, 2013 (the 'Act') read with regulation 16 of the SEBI Listing Regulations, as amended. They also confirmed compliance with the provisions of rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, relating to inclusion of their name in the databank of independent directors.

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

Policy on directors' appointment and remuneration

Pursuant to section 178(3) of the Act and regulation 19(4) read with Part D of schedule II to the SEBI Listing Regulations, the Board has framed a Remuneration Policy. The said policy was reviewed on 21 March 2024 and no changes were proposed. This policy, *inter alia*, lays down:

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

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

The said policy can be accessed on the Company's website at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/remuneration-policy-v3pdf?scl=1&fmt=pdf>

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

Compliance with code of conduct

All Board members and senior management personnel have affirmed compliance with the Company's Code of Conduct for FY2024.

A declaration to this effect signed by the Chairman & Managing Director forms part of this [Annual Report](#).

Annual Return

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

Number of meetings of Board

Seven (7) meetings of the Board were held during FY2024. Details of the meetings and attendance thereat, form part of the [Report on Corporate Governance](#).

Directors' responsibility statement

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

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

- i. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profits of the Company for FY2024;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;

- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- vi. they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and are operating effectively.

Audit Committee

Anami N Roy was inducted as a member of the Committee effective 1 April 2023. D J Balaji Rao ceased to be a member of the Committee, consequent to his demise.

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

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

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

Particulars of loans, guarantees or investments

Details of loans, guarantees and investments, if any, covered under the provisions of section 186 of the Act are provided in the notes to financial statements.

Employee stock option scheme

The Company offers stock options to select employees of the Company & its subsidiaries, in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (the 'SBEB Regulations'), to foster a spirit of ownership and an entrepreneurial mindset. Because of their nature, stock options help to build a holistic, long-term view of the business and a sustainability focus in the senior management team. Stock options are granted to employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour. This has contributed to the active involvement of the leadership and senior team who are motivated to ensure long-term success of the Company. Your Company has a group talent management programme which seeks to provide employees to work across group companies and thereby preparing them for future roles in a well-planned manner. Grant of stock options also allows the Company to maintain the right balance between fixed pay, short-term incentives and long-term incentives to effectively align with the risk considerations and build the focus on consistent long-term results.

On 23 March 2024, the shareholders approved modification to the Bajaj Finserv Limited Employee Stock Option Scheme ('BFS ESOS') through postal ballot, to include enabling provisions for inclusion of employees from the Group and associate companies and treatment of stock options in case of retirement, death, permanent incapacity, transfers and deputation. BFS ESOS, as amended, is in compliance with the SBEB Regulations. As per BFS ESOS, the total number of options that can be granted is 45,000,000 convertible into equivalent number of equity shares of face value of ₹1.

A statement giving complete details as at the year ended 31 March 2024, in terms of regulation 14 of SBEB Regulations is available on the Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>

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

The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2024.

Capital Structure

The authorised capital of the Company as on 31 March 2024 stood at ₹ 200 crore consisting of 200 crore equity shares of face value of ₹ 1.

On 31 July 2023, the Allotment Committee allotted 2,673,353 equity shares of face value of ₹ 1 to the Bajaj Finserv ESOP Trust under the BFS ESOS, thereby increasing the paid up capital from ₹ 159.28 crore consisting of 1,592,815,460 fully paid- up equity shares to ₹ 159.55 crore consisting of 1,595,488,813 fully paid - up equity shares.

Except as stated above, there was no other issue of shares by way of public issue, rights issue, bonus issue or preferential issue during the year under review.

Related party transactions

All contracts/ arrangement/ transactions entered by the Company during FY2024 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and of repetitive nature. Such transactions are reviewed by the Audit Committee, on a quarterly basis.

All related party transactions entered during FY2024 were in the ordinary course of business, at arm's length and not material under the Act and SEBI Listing Regulations. None of the transactions required members' prior approval under the Act or SEBI Listing Regulations.

Details of transactions with related parties during FY2024 are provided in the notes to the financial statements. There were no transaction requiring disclosure under section 134(3)(h) of the Act. Hence, the prescribed Form AOC-2 does not form a part of this Report.

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

Succession planning

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

Material changes and commitments

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

Conservation of energy and technology absorption

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

(A) Conservation of energy –

- (i) Steps taken or impact on conservation of energy:
- Optimum usage of parking and common area lights.
 - Elevator usage optimisation.
 - Installation of LED lamps in place of tube lights and CFL.

During FY2024, the energy consumption of the Company was reduced by 71,600 units by taking above mentioned steps.

- (ii) Steps taken by the Company for utilising alternate sources of energy:
- The Company has installed a renewable energy (wind) project with a capacity of 65.2 MW.
 - During FY2024, it generated 9.04 crore units, which it sold to Maharashtra State Electricity Distribution Company Ltd.

However, captive use would be possible only after operative guidelines of the Nodal Agency are issued, following the Maharashtra Electricity Regulatory Commission's notification of Green Energy Open Access.

(iii) Capital investment on energy conservation equipment;

- The amount of capital investment made by the Company on energy conservation equipments during FY2024, was approximately ₹ 1.35 lakh.
- The Company implements various energy conservation measures and initiatives which are highlighted in the [Business Responsibility and Sustainability Report](#) which forms part of this [Annual Report](#). The same is available on the Company's website and can be accessed at <https://www.bajajfinserv.in/finserv-investor-relations-annual-reports>

(B) Technology Absorption –

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

Foreign exchange earnings and outgo

During FY2024, the Company did not have foreign exchange earnings. The foreign exchange outgo in terms of actual outflow amounted to ₹ 1.68 crore, as against ₹ 0.46 crore in FY2023.

Risk management

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

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

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

Corporate social responsibility ('CSR')

'Bajaj Beyond' is the Group's new identity for all its CSR and charitable programmes with focus on youth skilling. The initiatives will benefit the youth and enable them to take advantage of employment and entrepreneurial opportunities offered by India's growing economy in the years to come.

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

During FY2024, the Committee met twice. Details of meetings and attendance thereat forms part of the [Annual Report on CSR activities](#).

The CSR obligation of the Company for FY2024 was ~ ₹ 0.61 crore. As on 31 March 2024, total amount spent on CSR activities by Company was ~ ₹ 0.99 crore.

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

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

Further, the Chief Financial Officer has certified that the funds disbursed have been utilised for the purpose and in the manner approved by the Board for the FY2024.

Formal annual evaluation

Pursuant to section 178 of the Act, the NRC and Board have decided that the evaluation shall be carried out by the Board only and NRC will only review its implementation and compliance.

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

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

The manner in which formal annual evaluation of performance was carried out by the Board for the year 2023-24 is given below:

- The NRC at its meeting held on 15 March 2023, reviewed the criteria for performance evaluation. The said criteria are available on the website of the Company at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/board-evaluation-criteriapdf?scl=1&fmt=pdf>.
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking confidential feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors. As advised by the NRC and Board, an option for qualitative feedback, was introduced.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual directors for the year 2023-24 and a consolidated report thereof were arrived at.
- Other than Chairman of the Board and NRC, no other director has access to the individual ratings given by directors.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 21 March 2024.

Based on the report and evaluation, the Board and NRC at their respective meetings held on 21 March 2024, determined that the term of appointment of all independent directors may continue.

Details on the evaluation of Board, non-independent directors and Chairperson of the Company as carried out by the independent directors at their separate meeting held on 21 March 2024, have been furnished in a separate paragraph elsewhere in this Report.

The process followed by the Company was reviewed by the NRC at its meeting held on 21 March 2024 which opined it to be compliant with applicable provisions. Further the Board, at its meeting held on 21 March 2024, advised the management to benchmark the processes and criteria with best practices.

Significant and material orders

During FY2024, no significant or material orders were passed by any regulator or court or tribunal, impacting the going concern status and Company's operations in future.

Internal financial controls

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

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

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

Independent directors' meeting

Pursuant to the Act and SEBI Listing Regulations, the independent directors must hold at least one meeting in a financial year without the presence of non-independent directors and members of the management.

Accordingly, independent directors of the Company met on 21 March 2024 and:

- noted the report of performance evaluation for the year 2023-24;
- reviewed the performance of non-independent directors and the Board as a whole;
- reviewed the performance of the Chairman of the Board, taking into account the views of non-executive directors; and
- assessed the quality, quantity and timeliness of flow of information between the Company's Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The independent directors present elected Dr. Naushad Forbes as the Chairman for the meeting. All independent directors were present at the meeting.

Whistle-blower policy/vigil mechanism

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

The concerns may be reported anonymously either through email or through a 'Confidential Feedback Mechanism', which is reviewed by an Enforcement Committee comprising senior management representatives from within the organisation. Pursuant to the Whistle-Blower Policy, a summary of incidents investigated, actioned upon, founded and unfounded are reviewed by the Audit Committee. Further, the Committee from time to time reviews the functioning of the whistle-blower mechanism and measures taken by the Management to encourage employees to avail of the mechanism to report unethical practice.

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

Investor Education and Protection Fund ('IEPF')

The details pertaining to the transfer of unclaimed dividend amount and shares to the IEPF have been provided in General Shareholder Information, which forms part of this [Annual Report](#).

Uma Shende, Company Secretary is the Nodal Officer of the Company, appointed pursuant to rule 7(2A) of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the details of which are available on the website of the Company at <https://www.aboutbajajfinserv.com/investor-relations-shareholders-information-listing-on-stock-exchange>.

Corporate governance

Pursuant to the SEBI Listing Regulations, a separate section titled [Report on Corporate Governance](#) has been included in this Annual Report, along with the [Management Discussion and Analysis](#) and report on [General Shareholder Information](#).

The Chairman & Managing Director and Chief Financial Officer have certified to the Board with regard to the financial statements and other matters as required under regulation 17(8) of the SEBI Listing Regulations.

A certificate from the statutory auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report.

Business Responsibility and Sustainability Report ('BRSR')

SEBI vide its Master circular dated 11 July 2023 had prescribed the Business Responsibility and Sustainability Reporting (BRSR).

Further, SEBI vide its circular dated 12 July 2023 introduced BRSR Core. The BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes of the Company.

DNV Business Assurance India Pvt. Ltd. has provided reasonable assurance for BRSR Core and limited assurance on rest of the BRSR, in line with SEBI's circular of 12 July 2023.

The BRSR in the format prescribed by SEBI is annexed to the Annual Report.

Also, the Company has adopted a Policy for Responsible and Sustainable Business Conduct. A detailed ESG report describing various initiatives, actions and processes of the Company towards the ESG has been hosted on Company's website and can be accessed at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>

Maintenance of cost records

Provisions relating to maintenance of cost records as specified by the Central Government under section 148 of the Act, as applicable to the Company have been complied with for FY2024.

Secretarial standards of ICSI

The Company has complied with the requirements prescribed under the Secretarial Standards on meetings of the Board of Directors (SS-1) and General Meetings (SS-2), as amended, read with the MCA circulars.

Internal audit

The internal audit is an integral part of corporate governance. The objective of internal audit is to identify, assess and mitigate risks as well as to evaluate and contribute to the systems of internal controls and governance processes followed by the Company. Key elements of internal audit are assurance on Controls, Governance and Compliance, Risk Assessment and its Mitigation and Process Optimisation.

At the beginning of each financial year, an audit plan is rolled out after approval of the Audit Committee.

The Audit Committee regularly reviews the internal audit reports and the adequacy and effectiveness of internal controls. Significant audit observations, corrective and preventive actions thereon are discussed by the Audit Committee on a quarterly basis.

The Audit Committee periodically reviews the adequacy of the internal audit structure.

Auditors

Statutory Auditor

KKC & Associates LLP (FRN 105146W/ W100621) continue to be the Statutory Auditor of the Company. They hold office for a period of 4 years upto the 19th AGM scheduled in the year 2025.

The statutory audit reports for FY2024, is unmodified i.e., does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial Auditor

Pursuant to the provisions of section 204 of the Act, and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Shyamprasad D. Limaye, Practising Company Secretary (FCS No. 1587, CP No. 572), to undertake secretarial audit of the Company.

A report from the secretarial auditor in the prescribed Form MR-3 is annexed to this Report.

As per regulation 24A(1) of the SEBI Listing Regulations, a listed company is required to annex a secretarial audit report of its material unlisted subsidiary to its Directors Report. In line with the same, the secretarial audit reports of BHFL (Debt listed), BALIC and BAGIC for the FY2024 are annexed to this Report and also placed on Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>.

Pursuant to regulation 24A(2) of the SEBI Listing Regulations, a report on secretarial compliance for FY2024 has been issued by Shyamprasad D. Limaye and the same will be submitted with the stock exchanges within the given timeframe. The report will also be made available on the website of the Company.

The secretarial audit report for FY2024, is unmodified i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Cost Auditor

Pursuant to section 148 of the Act, and the Rules made thereunder, the Board of Directors, on the recommendation of the Audit Committee, have re-appointed Dhananjay V Joshi & Associates (firm registration no. 000030), Cost Accountants, to audit the cost records of the Company for FY2025 on a remuneration of

₹ 70,000 plus taxes, out-of-pocket, travelling and living expenses, subject to ratification by the shareholders at the ensuing AGM.

Accordingly, a resolution seeking members' ratification for the remuneration payable to the Cost Auditor is included in the [Notice of AGM](#).

The cost audit report for FY2023, is unmodified i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Other Statutory Disclosures

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, be construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- The financial statements of the Company and its subsidiaries are placed on the Company's website at <https://www.aboutbajajfinserv.com/investor-relations-annual-reports>
- Details as required under section 197(12) of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended containing, *inter alia*, the ratio of remuneration of directors to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- Disclosure as required under section 197(14):

Sanjiv Bajaj (DIN: 00014615), who is also the Non-executive, Chairman of Bajaj Finance Ltd. ('BFL') and Bajaj Housing Finance Ltd. ('BHFL') has been paid sitting fees and commission as follows:

(₹ in lakh)

Sr. No.	Particulars	Sitting Fees		Commission	
		FY2024	FY2023	FY2024*	FY2023
1.	BFL	26.00	23.00	404.00	60.50
2.	BHFL	13.00	14.00	26.00	6.75

*will be payable post adoption of financial statements for FY2024.

He is entitled for sitting fees and commission in line with the remuneration policy and as determined by NRC / Board from time to time in BHFL and BFL. He does not draw any remuneration from any other subsidiary of which he is a non-executive director.

- Details of top ten employees in terms of the remuneration and employees in receipt of remuneration as prescribed under rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, containing details prescribed under rule 5(3) of the said Rules, which form part of this Report, will be made available to any member on request, as per provisions of section 136(1) of the Act.
- The auditors, i.e., statutory auditor, secretarial auditor and cost auditor have not reported any matter under section 143(12) of the Act and therefore, no details are required to be disclosed under section 134(3)(ca) of the Act.
- The Company has a policy on prevention of sexual harassment at the workplace. The policy is gender neutral. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details of the composition of the Committee is given in the said policy. The number of complaints received, disposed of and pending during FY2024 is given in the [Corporate Governance Report](#). The policy can be accessed at <https://cms-assets.bajajfinserv.in/is/content/bajajfinance/prevention-of-sexual-harrasement-at-workplace-v2pdf?scl=1&fmt=pdf>
- There is no change in the nature of business of the Company during FY2024.
- The Company has completed all corporate actions within the specified time limits. The securities were not suspended from trading during the year due to corporate actions or otherwise.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during FY2024 against the Company.
- The Company has not accepted any deposits covered under Chapter V of the Act during the year under review nor has ever accepted.

- The voting rights are exercised directly by the employees in respect of shares allotted under the Employee Stock Option Scheme of the Company. Thus, the disclosure requirements pursuant to Rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014 is not applicable.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013 and SEBI Regulations. These policies are reviewed from time to time keeping in view the operational requirements and the extant regulations. The [Report on Corporate governance](#) contains web-links of major policies hosted on website.
- During FY2024, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loan from the Banks or Financial Institutions are not reported.

Acknowledgement

The Board places its gratitude and appreciation for the support and co-operation from its members and regulators.

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

On behalf of the Board of Directors

Sanjiv Bajaj

Chairman & Managing Director
DIN: 00014615
Pune: 26 April 2024

Annual Report on CSR activities for the financial year ended 31 March 2024

1. Brief outline of Company's CSR Policy

Introduction

The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility (CSR) activities of the Group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of India's next generation, mainly, in the areas of skilling, health and education. Additionally, the Group supports creation of healthcare and other infrastructure and relief efforts in response to natural calamities and pandemics. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

It is this goodwill that has made us work towards '**Activating Lives**'.

'**Bajaj Beyond**' is the Bajaj Group's new identity for all its CSR and charitable programmes with focus on youth skilling. The initiatives will benefit the youth and enable them to take advantage of employment and entrepreneurial opportunities offered by India's growing economy in the years' to come.

Guiding principles:

The Company believes that social investments should:

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

Brief Contents of CSR Policy

Section 135 of the Companies Act, 2013 (the "Act") and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021. Accordingly, the CSR Policy was approved and adopted by the Board of Directors in its meeting held on 28 April 2021. The Policy, *inter alia*, covers the following:

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

2. Composition of CSR Committee:

During FY2024, Committee met two times on 26 April 2023 and 20 March 2024:

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Dr. Naushad Forbes	Chairman, Independent Director	2	2
2.	Anami N Roy	Member, Independent Director	2	2
3.	Sanjiv Bajaj	Member, Chairman of Board & Managing Director	2	2

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

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

4. Executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable : Not Applicable

5. (a) Average net profit of the Company as per sub-section (5) of section 135 of the Act : ₹ 30.28 crore
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135 of the Act : ₹ 0.61 crore
 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years : Nil
 (d) Amount required to be set-off for the financial year, if any : Nil
 (e) Total CSR obligation for the financial year [(b)+(c)-(d)] : ₹ 0.61 crore

6. (a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing Project) : ₹ 0.99 crore
 (b) Amount spent in Administrative Overheads : Nil
 (c) Amount spent on Impact Assessment, if applicable : Not Applicable
 (d) Total amount spent for the Financial Year [(a)+(b)+(c)] : ₹ 0.99 crore

(e) CSR amount spent or unspent for the financial year :

Total Amount Spent for the financial year (Amount In crore)	Amount Unspent (₹ in crore)			
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135	
	Amount	Date of transfer	Name of the Fund	Amount
0.99	Not applicable, since there is no unspent amount			

(f) Excess amount for set-off, if any:

Sr. No.	Particulars	(₹ In Crore)
		Amount
i.	Two percent of average net profit of the Company as per sub-section (5) of section 135	0.61
ii.	Total amount spent for the Financial Year	0.99
iii.	Excess amount spent for the Financial Year [(ii)-(i)]	0.38
iv.	Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years, if any	-
v.	Amount available for set off in succeeding Financial Years [(iii)-(iv)]*	0.35

*The Board at its meeting held on 26 April 2024, approved to set off ₹ 0.35 crore, being amount spent in excess as against the requirement under sub- Section 135(5) of Companies Act, 2013 for FY2024 till the immediate subsequent three financial year.

- 7.** Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years : Not Applicable
- 8.** Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year : None
- 9.** Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per subsection (5) of section 135 : Not Applicable

Sanjiv Bajaj

Chairman and Managing Director
DIN: 00014615

Date: 26 April 2024

Dr. Naushad Forbes

Chairman of CSR Committee
DIN:00630825

Annexure to Directors' Report: FY2024

Remuneration details under Rule 5 (1) of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014 for the year ended 31 March 2024

Name of the Director/KMP	Ratio of remuneration of director to median remuneration of employees	% change in remuneration in FY2024
(A) Whole-time Director/Managerial Personnel		
Sanjiv Bajaj-Chairman & Managing Director	105.07	35.95
(B) Non-Executive Directors¹		
D J Balaji Rao	1.10	Refer note ^S
Dr. Naushad Forbes	2.00	66.67
Anami N Roy	1.80	200.00
Radhika Haribhakti	1.50	181.25
Pramit Jhaveri	1.70	112.50
Madhur Bajaj	0.70	75.00
Rajiv Bajaj	0.50	25.00
Manish Kejriwal	1.00	15.38
(C) Key Managerial Personnel		
Sanjiv Bajaj, Chairman & Managing Director		35.95
S Sreenivasan, CFO ²		17.68
Uma Shende, Company Secretary		17.95
(D) % Increase in Median Remuneration of employees		- 16.28
(E) Number of Permanent employees as on 31 March 2024	125	

^S Not comparable since he ceased to be director of the Company w.e.f. 28 November 2023.

Note:

- Remuneration payable to non-executive directors is based on the number of meetings of the Board and its Committees attended by them as members during the year. The amount of commission payable to non-executive directors is fixed at ₹ 300,000/- per meeting.
 - Remuneration to directors does not include sitting fee paid to them for attending Board/Committee meetings.
- % increase over FY2023 is derived excluding perquisite value of stock option exercised in FY2024.
- 'Permanent employees' does not include trainees, probationers and contract employees.
- The variation reflected in column ' % change in remuneration in FY2024' is on account of number of Board/Committee meetings, attendance of directors thereat and change in committee position.

Notes on Disclosures under Rule 5

- Average percentage increase in salary employee other than Whole-time Director increased is 11.86%
- Percentage increase in remuneration of managerial personnel has been determined keeping in view his duties and responsibilities, the performance of the Company and trend of remuneration in industry.
- The remuneration paid as above was as per the Remuneration Policy of the Company.

Secretarial Audit Report (Form MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2024

To,

The Members,

Bajaj Finserv Ltd.

(CIN: L65923PN2007PLC130075)

Bajaj Auto Ltd. Complex,

Mumbai-Pune Road,

Pune-411035.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Finserv Ltd.** (hereinafter called as "the Company"). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, and subject to letter annexed herewith, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2024, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024, according to the provisions of:

- 1) The Companies Act, 2013 and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable:-
 - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
 - (e) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (g) The Securities and Exchange Board of India (Issue and Listing of Non- Convertible and Redeemable Preference Shares) Regulations, 2013;
 - (h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (i) and circulars / guidelines issued thereunder.

6) Rules, Regulations and Guidelines issued by the Reserve Bank of India as are applicable to unregistered Core Investment Company.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreements entered into by the Company with BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, directions, guidelines, standards, etc. mentioned above, wherever applicable.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including woman independent director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors for the Board Meetings, including Committees thereof, along with agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions were carried unanimously.

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

I further report that during the period the Company has

- a) allotted 26,73,353 Equity shares of ₹ 1/- each on 31 July 2023 under ESOP.
- b) modified Bajaj Finserv Limited Employee Stock Option Scheme.

I further report that during the audit period, there was no other event/action having major bearing on affairs of the Company.

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000247118

Place: Pune

Date: 26 April 2024

Annexure to Secretarial Audit Report (Form MR-3)

To,
The Members,
Bajaj Finserv Limited
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Pune 411035

My Secretarial Audit Report for Financial Year ended on 31 March 2024 of even date is to be read along with this letter.

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

Shyamprasad D Limaye

FCS 1587 CP 572

Place: Pune

Date: 26 April 2024

Secretarial Audit Report of Subsidiary company (Form MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2024

To,

The Members,

Bajaj Allianz Life Insurance Company Ltd.

(CIN: U66010PN2001PLC015959)

Bajaj Allianz House, Airport Road,

Yerawada, Pune- 411006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bajaj Allianz Life Insurance Company Ltd.** (hereinafter called as "the Company"). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company, books, registers, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2024, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) Foreign Exchange Management Act, 1999 and the rules and regulations made there under regarding Foreign Direct Investment;
- 3) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
- 4) Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a life insurance company.

The Company is a unlisted public company and subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, including Committees thereof, alongwith agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions are carried unanimously.

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

I further report that during the audit period there was no event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000214778

Place: Pune

Date: 23 April 2024

Annexure to Secretarial Audit Report of subsidiary company (Form MR-3)

To,
The Members,
Bajaj Allianz Life Insurance Company Ltd.
Bajaj Allianz House, Airport Road,
Yerawada, Pune - 411006.

My Secretarial Audit Report for Financial Year ended on 31 March 2024 of even date is to be read along with this letter.

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

Shyamprasad D. Limaye

FCS 1587 CP 572

Place: Pune

Date: 23 April 2024

Secretarial Audit Report of subsidiary company (Form MR-3)

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2024

To,

The Members,

Bajaj Allianz General Insurance Company Ltd.

(CIN: U66010PN2000PLC015329)

Bajaj Allianz House, Airport Road,

Yerawada, Pune- 411006.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bajaj Allianz General Insurance Company Ltd.** (hereinafter called as "the Company"). The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company, books, registers, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31 March 2024, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, registers, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) Foreign Exchange Management Act, 1999 and the rules and regulations made there under regarding Foreign Direct Investment;
- 3) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999 and rules and regulations made thereunder;
- 4) Rules, regulations, guidelines, circulars and notifications issued by the Insurance Regulatory and Development Authority of India (IRDAI) as are applicable to a general insurance company.

The Company is a unlisted public company and subsidiary of a listed company.

I have also examined compliance with the applicable clauses of the Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the applicable provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above.

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive, non-executive and independent directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board Meetings, including Committees thereof, alongwith agenda and detailed notes on agenda at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions are carried unanimously.

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

I further report that during the audit period there was no event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines and standards.

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000214778

Place: Pune

Date: 23 April 2024

Annexure to Secretarial Audit Report of subsidiary company (Form MR-3)

To,
The Members
Bajaj Allianz General Insurance Company Ltd.
Bajaj Allianz House, Airport Road,
Yerawada, Pune- 411006.

My Secretarial Audit Report for Financial Year ended on 31 March 2024 of even date is to be read along with this letter.

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

Shyamprasad D Limaye

FCS 1587 CP 572

Place: Pune
Date: 23 April 2024

Secretarial Audit Report of Subsidiary company (Form MR-3)

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

For the financial year ended 31 March 2024.

To,

The Members of,

Bajaj Housing Finance Ltd.

(CIN: U65910PN2008PLC132228)

Bajaj Auto Ltd. Complex,

Mumbai-Pune Road, Akurdi, Pune-411035.

I have conducted the secretarial audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Housing Finance Ltd.** (hereinafter called as "the Company").

The secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit and subject to letter annexed herewith, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31 March 2024, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2024, according to the provisions of:

- 1) The Companies Act, 2013 (the Act) and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021;

- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; and
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 6) Rules, regulations, directions and guidelines issued by the National Housing Bank as are applicable to the Company;

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with BSE Limited Ltd. (for Debentures) as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above, wherever applicable;

I further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors including one woman independent director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the directors. The decisions were carried unanimously.

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

I further report that, during the period, the Company has:

- i. Allotted 8,350 Secured non-convertible debentures amounting to ₹ 8,350 crore (Face Value) on private placement basis from time to time and complied with the rules and regulations under various Acts. The Company has raised ₹ 252.00 crore towards Unsecured non-convertible debentures.
- ii. Issued Commercial Papers amounting to ₹4,600.00 crore from time to time and complied with the rules and regulations under various Acts.
- iii. Deposited a penalty of ₹5.00 lakh which was imposed by Reserve Bank of India ('RBI') in exercise of the powers vested with it under the provisions of the National Housing Bank Act, 1987 vide its order dated 29 January 2024 received by the Company on 2 February 2024, on account of contravention of para 45.3 of Non-Banking Financial Company -Housing Finance Company (Reserve Bank) Directions, 2021 which requires prior written permission from RBI for change in management resulting in change in more than 30% of the non- independent directors.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Shyamprasad D Limaye

FCS 1587 CP 572
UDIN: F001587F000224403

Place: Pune
Date: 24 April 2024

Annexure to Secretarial Audit Report of Subsidiary company (Form MR-3)

To
The Members,
Bajaj Housing Finance Ltd.
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Akurdi, Pune-411 035.

My Secretarial Audit Report for the Financial Year ended on 31 March 2024 of even date is to be read along with this letter.

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

Shyamprasad D Limaye

FCS 1587 CP 572

Place: Pune

Date: 24 April 2024

Independent Auditors' Certificate on Corporate Governance

To the Members of
Bajaj Finserv Ltd.

We have examined the compliance of conditions of Corporate Governance by Bajaj Finserv Ltd. (the 'Company'), for the year ended 31 March 2024, as per the relevant provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

The compliance of conditions of Corporate Governance is the responsibility of the management. This responsibility includes the design, implementation, and maintenance of internal control procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

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

We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

For **KKC & Associates LLP**

Chartered Accountants

ICAI Firm Registration No. 105146W/W100621

Ketan S Vikamsey

Partner

Membership No: 044000

ICAI UDIN: 24044000BKGTYW9522

Place: Pune

Date: 26 April 2024

Certificate by Practising Company Secretary

[Pursuant to Schedule V read with regulation 34(3) of the SEBI Listing Regulations (as amended)]

In the matter of Bajaj Finserv Ltd. (CIN: L65923PN2007PLC130075) having its registered Office at Bajaj Auto Ltd. Complex, Mumbai-Pune Road, Pune - 411035.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company.

I certify that the following persons are Directors of the Company (during 1 April 2023 to 31 March 2024) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Rahulkumar Bajaj	00014615	Chairman & Managing Director
2	Balaji Rao Jagannathrao Doveton*	00025254	Independent director
3	Dr. Naushad Darius Forbes	00630825	Independent director
4	Anami Narayan Prema Roy	01361110	Independent director
5	Pramit Shashikant Jhaveri	00186137	Independent director
6	Radhika Vijay Haribhakti	02409519	Independent director
7	Madhur Ramkrishnaji Bajaj	00014593	Non- Executive director
8	Rajivnayan Rahulkumar Bajaj	00018262	Non -Executive director
9	Manish Santoshkumar Kejriwal	00040055	Non-Executive director

*Balaji Rao Jagannathrao Doveton expired on 28 November 2023 and ceased to be a director of the Company w.e.f. 28 November 2023.

Shyamprasad D Limaye

FCS 1587 CP 572

UDIN: F001587F000247206

Place: Pune

Date: 26 April 2024

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Bajaj Allianz Life Insurance Company Limited and Bajaj Allianz Life ACE are the names of the company and the product respectively and do not in any way indicate the quality of the product and its future prospects or returns. For more details on risk factors, terms and conditions please read sales brochure & policy document (available on www.bajajallianzlife.com) carefully before concluding a sale. Regd. Office Address: Bajaj Allianz House, Airport Road, Yerawada, Pune - 411006. IRDAI Reg. No.: 116. CIN: U66010PN2001PLC015959. Call us on toll free No.: 1800 209 7272. Mail us: customer@bajajallianzlife.com. Bajaj Allianz Life ACE is A Non linked, Participating, Individual Life Insurance Savings Plan (UIN: 116N186V01). The Logo of Bajaj Allianz Life Insurance Co. Ltd. is provided on the basis of license given by Bajaj Finserv Ltd. to use its "Bajaj" Logo and Allianz SE to use its "Allianz" logo. All charges/ taxes, as applicable, will be borne by the Policyholder.

[^]Tax benefits as per prevailing Section 10(10D) and Section 80C of the Income Tax Act shall apply. You are requested to consult your tax consultant and obtain independent advice for eligibility before claiming any benefit under the policy.

Product features mentioned above are dependent on benefit chosen. For more details, please refer to sales brochure.

BJAZ-PR-EC-03730/23

BEWARE OF SPURIOUS PHONE CALLS AND FICTITIOUS/FRAUDULENT OFFERS - IRDAI is not involved in activities like selling insurance policies, announcing bonus or investment of premiums. Public receiving such phone calls are requested to lodge a police complaint.

Business Responsibility & Sustainability Reporting

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1. Corporate Identity Number (CIN) of the Listed Entity	L65923PN2007PLC130075		
2. Name of the Listed Entity	Bajaj Finserv Ltd.		
3. Year of incorporation	2007		
4. Registered office address	Bajaj Auto Ltd. Complex Mumbai - Pune Road, Pune - 411035		
5. Corporate address	6th Floor, Bajaj Finserv Corporate office, off Pune-Ahmednagar Road, Viman Nagar, Pune - 411014		
6. E-mail	investors@bajajfinserv.in		
7. Telephone	020 7157 6064		
8. Website	https://www.aboutbajajfinserv.com/about-us		
9. Financial year for which reporting is being done	2023-24		
10. Name of the Stock Exchange(s) where shares are listed	BSE Ltd. and National Stock Exchange of India Ltd.		
11. Paid-up Capital	₹ 159.55 crore		
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name of the person	Uma Shende	
	Telephone Number	020 7157 6064	
	Email ID	uma.shende@bajajfinserv.in	
13. Reporting boundary	Consolidated basis Collectively referred to as 'BFS Group' (For more details on entities considered for consolidation refer #23 below)		
14. Name of assurance provider	DNV Business Assurance India Private Ltd.		
15. Type of assurance obtained	BRSR Core: Reasonable Assurance BRSR Comprehensive (excluding BRSR Core): Limited Assurance		

II. Products/services

16. Details of business activities (accounting for 90% of the turnover):

Sr. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Group
1	Financial and Insurance Services	Non-Banking Finance Company engaged in lending and allied activities	49.81%
2	Financial and insurance activities	Non-life Insurance Business	24.73%
3	Financial and insurance activities	Life Insurance	25.07%

17. Products/Services sold by the Group (accounting for 90% of the Group's Turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Other Financial activities: Non-Banking Finance Company engaged in lending and allied activities	65,923	49.81%
2	Non-Life Insurance Business	65,120	24.73%
3	Life Insurance	65,110	25.07%

III. Operations

18. Number of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Plants [#]	Number of Offices [*]	Total
National	0	5,168	5,168
International	0	2	2

* Includes branches, representative office and corporate offices as at 31st March 2024

[#] Bajaj Finserv Group provides financial services and does not undertake any manufacturing activities

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	28 States and 6 Union Territories
International (No. of Countries)	1

b. What is the contribution of exports as a percentage of the total turnover of the entity?

NIL. BFS group of companies do not have any export business operations.

c. Types of Customers

Bajaj Finserv Group provides financial products and services to meet lifecycle needs of its customers.



Finance and Lending

- BFS participates in lending business through its subsidiary – Bajaj Finance Ltd. (BFL). BFL extends its business participation in savings by offering fixed deposits, mutual funds and in distribution of insurance products to its customers.
- BFL operates mortgage business through a subsidiary – Bajaj Housing Finance Ltd., which is engaged in various aspects of housing finance and development. Another BFL subsidiary called Bajaj Financial Securities Ltd. is registered with the SEBI as a stockbroker and depository participant, providing its clients a full suite of investment products and services in an all-in-one digital platform.

Insurance

BFS’s insurance participation is through (i) Bajaj Allianz General Insurance Company Ltd. (BAGIC) – general insurance (including health insurance); and (ii) Bajaj Allianz Life Insurance Company Ltd. (BALIC) life insurance and retirement plans (together ‘Insurance subsidiaries’).

Both are unlisted joint ventures with Allianz SE, one of the world’s leading composite insurers with over 130 years of existence and having operations in over 70 countries.

Non-Life insurance

- BAGIC, our non-life insurance subsidiary, is focussed on retail segments (mass, mass affluent and HNI) and commercial segments {SME and MSMEs (Micro, Small & Medium Enterprises)}, while maintaining strong position in large corporate and government business.

Life Insurance

- In life insurance, BALIC’s strong agency channel and pan-Indian distribution network of 500+ branches, combined with an array of innovative products and features, has enabled it to create a strong retail customer franchise.

Others

- BFS through its subsidiary, Bajaj Finserv Direct Ltd. (BFDL/ Bajaj Markets), attracts new-to-Finserv customers by creating awareness and discovery of the Finserv brand through the digital medium. It also seeks to enhance the digital footprint of Bajaj Finserv through the offering of select digital technology services.
- BFS through its another subsidiary, Bajaj Finserv Health Ltd. (BFHL), a health tech venture, aims to transform healthcare in India by integrating a fragmented healthcare delivery ecosystem with technology and financial services on a digital platform to bring quality healthcare closer to consumers' reach through products, networks and technology. The Company has recently acquired Vidal Health, which offers Health Third Party Administration and other health management services which expands our service offering and provides BFHL with presence across the healthcare payment spectrum.
- For mutual fund and asset management, BFS through Bajaj Finserv Asset Management Ltd., a subsidiary, has commenced its mutual fund operations in FY2024. The company offers competitive products which are based on innovation through usage of data and tech platforms, business models which are future ready as a differentiated investment strategy.
- Bajaj Finserv Ventures Ltd. is another subsidiary of BFS, which is an investment platform for (i) early to mid-stage venture capital investments and (ii) alternate class of assets.

IV. Employees

20. Details as at the end of Financial Year:

I. Employees and workers (including differently abled):

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Employees						
1.	Permanent (D)	92,079	80,562	87%	11,517	13%
2.	Other than Permanent (E)*	46,921	27,935	60%	18,986	40%
3.	Total employees (D+E)	139,000	108,497	78%	30,503	22%

* Refers to fixed term employees

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Workers*						
1.	Permanent (F)	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Other than Permanent (G)	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Total employees (F+G)	N.A.	N.A.	N.A.	N.A.	N.A.

* Bajaj Finserv Group does not have any workers across its locations

II. Differently abled Employees and workers:

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Employees						
1.	Permanent (F)	44	30	68%	14	32%
2.	Other than Permanent (G)	0	0	0	0	0
3.	Total employees (F+G)	44	30	68%	14	32%

Sr. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently Abled Workers*						
1.	Permanent (F)	N.A.	N.A.	N.A.	N.A.	N.A.
2.	Other than Permanent (G)	N.A.	N.A.	N.A.	N.A.	N.A.
3.	Total employees (F+G)	N.A.	N.A.	N.A.	N.A.	N.A.

* Bajaj Finserv Group does not have any workers across its locations

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors*	8	1	12.50%
Key Management Personnel**	3	1	33.33%

* The data pertains to the Company as on 31 March 2024

** Key Managerial Personnel are as defined under section 203(1) of the Companies Act, 2013

22. Turnover rate for permanent employees and workers

Employees	FY2024			FY2023			FY2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	24%	35%	26%	25%	43%	27%	31%	44%	33%
Permanent Worker	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

V. Holding, Subsidiary and Associate Companies (including Joint Ventures)

23. (a) Names of Holding / Subsidiary / Associate companies / Joint Ventures:

Sr. No.	Name of the Holding / Subsidiary / Associate companies / Joint Ventures (A)	Indicate whether holding / subsidiary/ Associate/ Joint Venture	% of shares held by Bajaj Finserv Ltd. as at 31-Mar-2024	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bajaj Finserv Ltd.	Holding	-	
2	Bajaj Allianz Life Insurance Company Ltd.*	Subsidiary	74.00%	
3	Bajaj Allianz General Insurance Company Ltd.*	Subsidiary	74.00%	
4	Bajaj Finance Ltd.*	Subsidiary	51.34%	
5	Bajaj Housing Finance Ltd.* (100% Subsidiary of Bajaj Finance Ltd.)	Subsidiary	-	
6	Bajaj Financial Securities Ltd. (100% Subsidiary of Bajaj Finance Ltd.)	Subsidiary	-	
7	Bajaj Finserv Direct Ltd. (Balance 19.87% shares are held by Bajaj Finance Ltd.)	Subsidiary	80.13%	
8	Bajaj Finserv Health Ltd.	Wholly-owned subsidiary	100.00%	Refer Note
9	Bajaj Finserv Mutual Fund Trustee Ltd.	Wholly-owned subsidiary	100.00%	
10	Bajaj Finserv Asset Management Ltd.	Wholly-owned subsidiary	100.00%	
11	Bajaj Finserv Ventures Ltd.	Wholly-owned subsidiary	100.00%	
12	Bajaj Allianz Financial Distributor Ltd.	Joint Venture	50.00%	
13	Bajaj Allianz Staffing Solutions Ltd. (100% subsidiary of Bajaj Allianz Financial Distributor Ltd.)	Joint Venture	-	
14	Snapwork Technologies Private Ltd. (Associate of Bajaj Finance Ltd.)		41.50% **	
15	Pennant Technologies Private Ltd. (Associate of Bajaj Finance Ltd.)		26.53%**	No

* Material subsidiary of the Company within the meaning of SEBI Listing Regulations.

** On fully diluted basis

Note:

Keeping in mind that the nature and conduct of the businesses across the Group companies are distinct, to the extent relevant, the Company through its Responsible and Sustainable Business Conduct Policy:

- i. Engages with and enjoins upon its Group companies to participate in the responsible and sustainable business conduct and
- ii. Requires its material subsidiaries to embody a similar policy. Accordingly, the business responsibility initiatives of the subsidiaries and joint ventures could either be similar or distinct depending on the business responsibility initiative under consideration and nature of their respective businesses.

VI. CSR Details

24.	(i)	Whether CSR is applicable as per section 135 of Companies Act, 2013:	:	Yes
	(ii)	Turnover (in ₹ crore):	:	1,733.91 (Standalone)
	(iii)	Net worth (in ₹ crore):	:	6,673.28 (Standalone)

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY2024			FY2023		
		Number of complaints		Remarks	Number of complaints		Remarks
		Filed during the year	Pending resolution at close of the year		Filed during the year	Pending resolution at close of the year	
Communities	Yes	NIL	NIL		NIL	NIL	
Investors (other than shareholders)	Yes	NIL	NIL		NIL	NIL	
Shareholders	Yes	46	NIL		33	NIL	
Employee and workers	Yes	NIL	NIL	N.A.	0	0	N.A.
Customers	Yes	12,547	16	Pending complaints as on 31 March 2024 have been suitably addressed in April, 2024	11951	7	Pending complaints as on 31 March 2023 have been suitably addressed in April, 2023
Value Chain Partners	Yes	NIL	NIL			-	
Others (Government & Regulators)	Yes	NIL	NIL		NIL	NIL	

As a principle, in line with their policies, practices and processes, each of the Company in the Group engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner and if warranted takes corrective measures. There are certain policies such as Protection of Policyholders interest, Whistle-blower policy, POSH policy, etc. which are available on our website and mentioned in the Annexure. Additional policies and SOP are part of our internal documents and are not accessible to public, in addition to the policies available on respective company's website, regarding conduct with stakeholders, including grievance mechanisms.

26. Overview of the entity’s material responsible business conduct issues:

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

Sr. No.	Material identified issue	Indicate whether risk or opportunity	Rationale for identifying. the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications -positive or negative
1	Climate Change	Risk and Opportunity	<p>Risks</p> <p>Climate change can result in claim frequency / severity (non-life insurance) and mortality (life insurance) being higher than expected.</p> <p>Reputational risk emerges in case the Group is unable to meet the stakeholder expectations on climate related disclosures and initiatives.</p> <p>Opportunities</p> <p>Increased awareness about climate change has accelerated the adoption of environment friendly products such as renewable power, electric vehicles etc., thereby creating an opportunity to finance and insure these class of assets and the eco-system supporting them.</p>	<p>Underwriting policies and procedures are in place to assess and manage the risks. Periodic reviews of underwriting processes are conducted, and its effectiveness is assessed.</p> <p>External models are being used to assess the climate risk concentration across geographies which is used as an input into the underwriting process.</p> <p>Further, reinsurance programmes seek to optimise the retention of risk based on risk retention appetite and capacity of the company.</p> <p>The Group’s ESG (Environment, Social & Governance) reporting is now beyond the minimum statutory reporting and is being enhanced year on year.</p>	<p>Negative</p> <p>Unpredictable adverse events can challenge our assumptions and impact profitability.</p> <p>Conforming with environment related standards and expectations could result in increased expenses.</p> <p>Positive</p> <p>Being relatively newer class of assets, the Group’s experience and depth of balance sheets could allow it to harness these opportunities.</p>
2	Customer Experience	Risk	<p>Given that the Group provides financial services products and services to millions of customers, any undesirable customer experience could result in the loss of customers or even reputational loss.</p>	<p>Listening to customers and driving continuous transformation to provide them with a frictionless experience is what the Group has always strived for. Ethics, transparency, fair practices, and accountability are deeply ingrained and practiced in daily operations, including in dealing with customers. Customer experience is enhanced by offering products and services which meet the needs of customers, as well as adaptation of innovative technology solutions to provide a seamless and an “on the go” customer journey through its digital platforms.</p> <p>Customer experience is monitored on an ongoing basis through root cause analysis of grievance, monitoring of grievance ratios versus peers and carrying out Net Promoter Score (NPS) and Customer Satisfaction studies (CSAT).</p>	<p>Negative</p> <p>Loss of reputation can result in loss of customer and vice-versa, thereby adversely impacting businesses of the Group.</p> <p>Positive</p> <p>Superior customer experience through interventions such as high level of digitisation, seamless claims settlement process, CSAT, NPS, etc. aid in enhancing customer trust which can positively impact business sourcing.</p>

Sr. No.	Material identified issue	Indicate whether risk or opportunity	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications -positive or negative
3	Financial Inclusion	Opportunity	The reach of financial products and services is still shallow in India, especially in the mass segment and semi-urban / rural parts of India.	The group's customer reach is achieved through rural distribution networks, adaptation of innovative technology solutions to provide a seamless customer journey through its digital platforms and customised product offering.	Positive Such distribution creates opportunity for the Group to grow in the underpenetrated segments such as rural India, MSME sector, etc.

For further details on materiality for the entity and its responses pertaining to ESG aspects refer to the ESG Report FY2024 available on the company's website.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section is aimed at helping businesses demonstrate the structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe.

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.

PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders.

PRINCIPLE 5: Businesses should respect and promote human rights.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment.

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development.

PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner.

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	
Policy and Management Processes										
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs (National Guidelines on Responsible Business Conduct). (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
c. Web Link of the Policies, if available	Yes, the Company has a policy covering all the principles named 'Responsible and Sustainable Business Conduct Policy'. The said Policy is approved by the Board. Further, the Policy is reviewed by the management periodically and the changes are put forth the Board for their approval. All our policies are available on our company website with Link: https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes For individual policy and their links refer to the Annexure.									
2. Whether the entity has translated the policy into procedures. (Yes /No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
4. Name of the national and international codes/certifications/labels/ standards (e.g., Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g., SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	<p>All policies have been developed based on industry / best practices or as per the regulatory requirements and through appropriate consultation with relevant stakeholders. Further following standards have been adopted by all material subsidiaries:</p> <ul style="list-style-type: none"> • ISO 27001: Information Security Management System and Business Continuity Management System • ISO 22301: Business Continuity Management System 								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	<p>Financial Inclusion</p> <ul style="list-style-type: none"> • Bajaj Finance Ltd. to open 100 Micro Finance branches. • BAGIC to open 20 branches in tier 2 and 3 towns (outside of top 50 cities where most industry business concentrated). <p>Human Capital Development- Extension of Environment Health & Safety Management System implemented in the Head Office to more such offices in Pune.</p> <p>Environment - Environment restoration through tree plantation.</p> <p>Investments – As committed earlier, more than 90% applicable portfolio of insurance subsidiaries would be assessed for ESG by FY2025.</p>								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	<p>All the commitments made in FY2023 are completed / on track:</p> <ul style="list-style-type: none"> • ~80% of applicable portfolio of insurance subsidiaries has been assessed for ESG as at 31 March 2024. • As part of the pilot, Environment Health & Safety (EHS) Manual has been implemented at Head Office in Pune. ISO Certification on 14001:2015 and ISO 45001:2018 has also been completed for this office. • As on 31 March 2024 ~76,000 tree plantations completed. 								
Governance, Leadership and Oversight									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)	Please refer to "Message from the Chairman and the Managing Director" in the ESG report available on the company website. Link (*)								
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name	Sanjiv Bajaj							
	Designation	Chairman & Managing Director							
	DIN	00014615							
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	<p>Yes.</p> <ul style="list-style-type: none"> • The Company and all its material subsidiaries have their own policies, as approved by their respective Boards, the implementation of which is monitored through their empowered executive committee. • Such executive committees meet periodically to assess the performance against their business responsibility objectives. Across the group 6 such meetings in aggregate were held during the year. 								

P1 P2 P3 P4 P5 P6 P7 P8 P9

- Further at the group level, a committee comprising senior executives, including from material subsidiaries, meets periodically and provides directional inputs on business responsibility matters.
- The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. During the year, in a meeting of the Board of Directors an update was provided, and discussions were held on the sustainable and responsive business conduct initiatives across the Group.
- Further, ESG Risks of the Company and its material subsidiaries were also discussed during the year in respective Company's Risk Management Committee of the Board.

10. Details of Review of National Guidelines on Responsible Business Conduct (NGRBCs) by the Company:

Subject for Review	Indicate whether review was undertaken by: (Director/ Committee of the Board/ Any other Committee)									Frequency: (Annually/ Half yearly/ Quarterly/ Any other - please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Any other Committee*									Any other**								
As a practice, all the policies of the Company are reviewed periodically or on a need basis by First letter capital Department Heads, Business heads, Senior Management personnel and placed before the Board of Directors as and when required. During this assessment, the efficacy of the policies is also reviewed and necessary changes to policies and procedures are implemented.																		
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Committee of the Board									Any other								
The Company is in compliance with the extant regulations as applicable.																		

* Any Other Committee – Risk Management Committee

** Frequency – Any Other – Need Based

11. Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
No.	No	No	No	No	No	No	No	No	No
Currently no external assessments are being conducted for the policies. However, we ensure that all the policies are reviewed either by the department heads, relevant committee members and/or the Board members internally as applicable regulatory requirements and provisions contained in the respective policies.									

12. If answer to question (1) above is "No" i.e. not all Principles are covered by a policy, reasons to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the principles material to its business (Yes/No)					N.A.				
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)					N.A.				
The entity does not have the financial or/human and technical resources available for the task (Yes/No)					N.A.				
It is planned to be done in the next financial year (Yes/No)					N.A.				
Any other reason (please specify)					N.A.				

P1 SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

P2 **PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner**
 P3 **that is Ethical, Transparent and Accountable.**

Essential Indicators

P4 **1. Percentage coverage by training and awareness programmes on any of the Principles during**
 P5 **the financial year:**

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	%Age of persons in respective category covered by awareness programmes
Board of Directors	Apart from BFS and its listed subsidiaries, which carry out familiarisation programmes for its Directors, as required under the SEBI Listing Regulations, even unlisted material subsidiaries on an ongoing basis keep their respective Directors and KMPs abreast on matters relating to the industry, business models, risk metrics, mitigation and management, governing regulations, ESG, information technology including cyber security, their roles, rights and responsibilities and major developments and updates on the Company, etc.		100%
Key Managerial Personnel	The BFS Group invests significant time and resources in the training and development of its employees, to help them stay ahead of latest trends and technology. Further, for certain relevant topics periodical awareness programmes are carried out through emails, posters/banners (physical and digital) and other modes of internal communication. Such training/awareness programmes are on array of topics, such as Code of Conduct, Ethics, Cyber Security, Data Privacy, ESG Awareness, Bribery, Corruption and Fraud Prevention, Anti-Money Laundering, Employee Health and Safety, Insider Trading, Prevention of Sexual Harassment, Skill Upgradation, Functional Trainings and etc. During the year, more ~1.00 million hours of logged in trainings were completed by employees on above mentioned topics.		100%

P6 **2. Details of fines/ penalties/ punishment/ award/ compounding fees/ settlement amount**
 P7 **paid in proceedings (by the entity or by directors/ KMPs) with regulators/ law enforcement**
 P8 **agencies/ judicial institutions, in the financial year, in the following format (Note: the entity**
 P9 **shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI**
(Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the
entity’s website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In ₹)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty/ Fine	1	Bajaj Finance Ltd. - Reserve Bank of India (RBI)	8.50 lakh	Reserve Bank of India (RBI) vide order dated 28 September 2023, had imposed a monetary penalty on the Company for non-compliance with the 'Monitoring of Frauds in NBFCs (Reserve Bank) Directions, 2016' issued by RBI. The Company has taken necessary corrective actions in this respect.	No
Settlement	1-9	NIL	NIL	NIL	NIL
Compounding fee	1-9	NIL	NIL	NIL	NIL

P1

Non-Monetary

P2

P3

P4

	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment	1-9	NIL	NIL	NIL
Punishment	1-9	NIL	NIL	NIL

P5

P6

3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed.

P7

P8

Case Details	Name of the regulatory/ enforcement agencies/ judicial institutions
NIL	NIL

P9

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes.

BFS Group has zero tolerance towards unethical business practices and prohibits bribery in any form in all its business dealings through various policies, codes and charters.

The Code of Ethics and Personal Conduct (CoEPC) consistently adopted across the Group reiterates our commitment on anti-bribery. All full-time and part-time employees of BFS group companies must adhere to the commitment of integrity and other responsible business conduct principles laid down in CoEPC.

The core policies for anti-money laundering, corruption and bribery, prohibition of child labour, discrimination in any forms are also shared and applicable for our partners and vendors as part of their agreements with Bajaj Finserv Group companies.

Some of these policies, codes and charters are available on the website (refer Annexure).

Further material subsidiaries also have some of additional policies, codes and charters which are available on their respective websites.

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery / corruption:

	FY2024	FY2023	FY2022
Directors	NIL	NIL	NIL
KMPs	NIL	NIL	NIL
Employees	NIL	NIL	NIL

6. Details of complaints regarding conflict of interest:

	FY2024		FY2023		FY2022	
	Number	Remarks	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	NIL	NIL	NIL	NIL	NIL	NIL
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	NIL	NIL	NIL	NIL	NIL	NIL

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

No corrective actions pertaining to above mentioned parameters was necessitated by the Group during the year under review.

P1

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format:

P2

P3

	FY2024	FY2023
Number of days of accounts payables	46	29

P4

9. Open-ness of business Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along with loans and advances & investments, with related parties, in the following format:

P5

P6

Parameter	Metrics	FY2024	FY2023
Concentration of Purchases	a) Purchases from trading houses as % of total purchases	N.A.	N.A.
	b) Number of trading houses where purchases are made from	N.A.	N.A.
	c) Purchases from top 10 trading houses as % of total purchases from trading houses	N.A.	N.A.
Concentration of sales	a) Sales to dealers/distributors as % of total sales	N.A.	N.A.
	b) Number of dealers/distributors to whom sales are made	N.A.	N.A.
	c) Sales to top 10 dealers/ distributors as % of total sales to dealer/ distributors	N.A.	N.A.
Share of RPTs in	a) Purchases (Purchases with related parties/Total Purchases)	2.89%	2.27%
	b) Sales (Sales to related parties/Total Sales)	0.11%	0.10%
	c) Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.02%	0.17%
	d) Investments (Investments in related parties/ Total Investments made)	0.23%	0.08%

P7

P8

P9

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

BFS Group strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources.

BFS Group companies carry out awareness / training programmes for its value chain partners (especially agents and other intermediaries), depending on the business needs, stakeholder feedback and regulatory requirements covering various topics. For example, our insurance subsidiaries provide specialised training to their agents which cover various topics such as Code of Conduct, ethics, professional conduct, anti-money laundering, functional and skill upgradation trainings that were knowledge-based. The sessions also include and cover topics such as 'Did you Know' series about products, processes, FAQs, new product launches, know your compliances, existing products, ready-reckoners, sample illustrations, etc.

2. Does the entity have processes in place to avoid/manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes.

BFS and Group companies have zero tolerance towards unethical business practices and ensures adherence to relevant principles including in relation to conflict of interest.

The Company has a separate Code of Conduct for Directors and Senior Management (CoC) which provides that 'Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement'.

P1

The said CoC also requires them to not to engage in any material business relationship or activity, which conflicts with their duties towards the Company. A declaration for the Directors and Senior Management's affirmation to the said CoC is communicated to all stakeholders by the Chairman & Managing Director, through the Annual Report.

P2

P3

Further a declaration is signed by the Directors during their appointments / reappointments as an undertaking to the Code of Conduct and disclosures to all possible conflicts of interest and related activities.

P4

P5

In addition to the above, the BFS Group CoEPC covers potential areas where conflict of interest may be encountered. It also provides specific guidelines on avoiding and dealing with conflicts of interest and the requirement to disclose potential conflicts of interest by employees. Further, BFS and its material companies have policies on related party transactions, which require all the transactions to be at arm's-length price which are available on their company website or over internal networks for ease of access and knowledge dissemination amongst the Key Management Personnel.

P6

P7

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P9

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	FY2024	FY2023	Details of improvements in environmental and social impacts
R&D	N.A.	N.A.	Please refer the below note
Capex	N.A.	N.A.	

BFS Group is engaged in financial services businesses. The capital expenditure incurred by the companies involve adoption of systems and processes which involve Information technology and digitalisation.

Multiple processes have been streamlined to enable entire business cycle to improve on their customer servicing by switching to an online mode from a traditional offline setup. Customer interaction is facilitated using technologically (Automation linked digitalisation) towards reducing paperwork and reduction in operational costs that otherwise would have been incurred in physical interactions. Moreover, the Group continues to invest in EVs (Electric Vehicles) and rooftop solar plants, EV charging stations with other potential solutions aimed at reducing its environmental carbon footprint.

- Does the entity have procedures in place for sustainable sourcing? (Yes/No)**
 - If yes, what percentage of inputs were sourced sustainably?**

No

BFS group companies provide financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods. Its activities are limited to providing financial solutions to serve the needs of the people. However, the Group nurtures a culture of conservation of resources and encourages innovations that aid in reducing the dependence on natural resources. We have initiated programmes across the group companies for the consumables we procure such as paper (printing paper), cleaning material etc.

- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.**

Given the nature of the business, BFS group companies have limited scope to use recycled material as processed inputs.

BFS group companies disposes e-waste through registered vendors and has obtained certificate of disposal from these vendors.

During the year e-waste and battery waste of 102.41 Metric Tonnes has been treated in scientific and eco-friendly manner by certified vendors for safe disposal.

P1 During the year, as a pilot, we have tracked our waste oil from DG Set for our Head Office. 1.175 metric tonnes of waste oil has been disposed with assistance of a certified recycler as part of our sustainability policies and processes.

P2 P3 Further, as part of continuous effort for waste management and recycling, at our Head Office we have initiated an organic waste converter machine which recycled organic waste and produced 2.72 Metric Tonnes of compost.

P4 P5 **4. Whether Extended Producer Responsibility (EPR) is applicable to the entity’s activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.**

P6 P7 No

P8 Given the nature of our business, the Extended Producer Responsibility is not applicable to our businesses.

P9 **Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link
N.A.					
Given the business operations of BFS group, there are no products or services offered by the entity that qualify for Life Cycle Perspective/Assessments (LCA).					

2. If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products/services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product/ Service	Description of the risk/concern	Action Taken
None other than those identified in Q.26 of "Section A – General Disclosures" above.		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate input material	Recycled or re-used input material to total material		Action Taken
	FY2024		
Given the business operations of BFS group, the same is not applicable.			

4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY2024			FY2023		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
E-waste	-	66.58	-	-	19.50	-
Plastics (including packaging)	Given the business operations of BFS group, the same is not significant					
Hazardous Waste (mt)	-	1.17	-	-	-	-
Other waste (battery waste)	-	35.83	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Refer essential indicator 3 of this principle.

P1

PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains

P2

Essential Indicators

P3

1. a) Details of measures for the well-being of employees:

P4

% of employees covered by

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Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities*	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent employees											
Male	80,562	80,562	100%	80,562	100%	N.A.	N.A.	80,562	100%	80,562	100%
Female	11,517	11,517	100%	11,517	100%	11,517	100%	N.A.	N.A.	11,517	100%
Total	92,079	92,079	100%	92,079	100%	11,517	100%	80,562	10%	92,079	100%
Other Than permanent employees**											
Male	27,935	3,103	11%	3,103	11%	N.A.	N.A.				
Female	18,986	672	4%	672	4%	18,986	100%			N.A.	
Total	46,921	3,775	8%	3,775	8%	18,986	100%				

* Wherever required under regulations, Day care facilities are provided

** Being fixed term employees

b) Details of measures for the well-being of workers:

% of workers covered by*

Category	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
Permanent Workers											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Than permanent Workers											
Male	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Female	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Bajaj Finserv Group does not have any workers across its locations

c) Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY2024	FY2023
Cost incurred on well-being measures as a % of total revenue of the company	0.11%	0.11%

P1
P2
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2. Details of retirement benefits, for Current Financial Year and Previous Financial Year

Benefits*	FY2024			FY2023		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100%	N.A.	Yes	100%	N.A.	Yes
Gratuity	100%	N.A.	Yes	100%	N.A.	Yes
ESI	100%	N.A.	Yes	100%	N.A.	Yes
NPS	100%	N.A.	Yes	100%	N.A.	Yes
Super Annuation	100%	N.A.	Yes	100%	N.A.	Yes

* These benefits are provided to all the employees who are eligible and have opted for the said retirement benefits.

3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard:

As a principle the Company through its Employee Charter and Human Rights Statement prohibits discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019.

Corporate offices of the Group companies have ramps for easy movement and wheelchair accessible restrooms for especially abled people.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy

The Company through its Employee Charter and Human Rights Statement prohibits discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019.

As enshrined in the 'Responsible and Sustainable Business Conduct Policy', the Company provides remuneration and equal opportunities at the time of recruitment as well as during employment irrespective of age, sex, colour, caste, disability, marital status, ethnic origin, race, religion, sexual orientation, disease (viz. HIV/Aids) or any other status of individuals, thereby presenting an opportunity to excel and grow best suited to the individual's suitability and ability to perform the related work.

Employee Charter and Human Rights Statement is available on our website (refer annexure).

5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees			
	FY2024		FY2023	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	99%	78%	99%	71%
Female	98%	54%	97%	54%
Total	99%	77%	99%	69%

P1

P2

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P9

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief.

	Yes / No (If yes, then give details of the mechanism in brief)
Permanent Workers	N.A.
Other than Permanent Workers	N.A.
Permanent Employees	Yes.
Other than Permanent Employees	BFS Group creates a culture which is fair, open and transparent and where employees can openly present their views. BFS Group transparently communicates its policies and practices such as company plans, compensation, performance metrics, performance pay grids/calculation, career enhancements, compliance etc. BFS Group enables employees to work without fear of prejudice, gender discrimination and harassment. It has zero tolerance towards any non-compliance of these principles. A formal grievance mechanism is available to employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation, along with mechanism to consult on ethical issues through the explicit means provided by CoEPC, Whistle Blower Policy, Prevention of Sexual Harassment Policy and other policies/charters as detailed in the annexures.

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY2024			FY2023		
	Total employees /workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective Category (C)	No. of employees / workers in respective category, who are part of association (s) or Union (D)	% (D/C)
Total Permanent Employees	The Company does not have any employee trade union and not in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'.					
Male						
Female						
Total Permanent Workers	N.A.					
Male						
Female						

8. Details of training given to employees:

Category	FY2024					FY2023				
		On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Male	80,562	55,039	68%	72,578	90%	61,075	33,157	88%	49,631	81%
Female	11,517	7,725	67%	10,431	91%	7,645	1,581	89%	5,912	79%
Total	92,079	62,764	68%	83,009	90%	68,720	34,738	88%	54,405	81%

Further, for Health and Safety, BFS Group trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills. During the year fire audits and drills were conducted as part of Safety measures across the offices. Periodical awareness programmes are carried out through emails, posters/ banners (physical and digital) and other modes of internal communication.

P1 As part of the pilot, during the year Environment Health & Safety (EHS) Manual has been implemented
 P2 at Head Office in Pune. ISO Certification on 14001:2015 and ISO 45001:2018 has also been completed for
 this office.

P3 The Group companies also initiated exhaustive employee engagement campaigns like “#Stay Healthy
 P4 #Stay Safe” to imbibe and encourage employees to adopt healthy and safety measures - eating healthy,
 staying hydrated, using stairs, maintaining right posture, etc.

P5 Various campaigns and collaterals were released to spread awareness among the employees on the
 P6 pandemic precautions and safety compliances.

9. Details of performance and career development reviews of employees:

Category	FY2024*			FY2023*		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
Male		100%			100%	
Female		100%			100%	
Total		100%			100%	

* Performance appraisal was conducted during the year for all the eligible employees as per policy

10. Health and safety management system:

a) Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?

Yes,

Further, as part of the pilot, during the year Environment Health & Safety (EHS) Manual has been implemented at Head Office in Pune. ISO Certification on 14001:2015 and ISO 45001:2018 has also been completed for this office. Further, extension of EHS Management System implemented in the Head Office to more such offices in Pune is planned in FY2025.

BFS Group also trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills. Periodical awareness programmes are carried out through emails, posters/banners (physical and digital) and other modes of internal communication.

The Group companies also initiated exhaustive employee engagement campaigns like “Forward Karo Care” and “Circle of Care” to imbibe and encourage employees to adopt healthy and safety measures - eating healthy, staying hydrated, using stairs, maintaining right posture, etc. Various campaigns and collaterals were released to spread awareness among the employees on the pandemic precautions and safety compliances.

b) What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

BFS Group provides financial services and does not undertake any manufacturing activity and hence this is not applicable for us.

However, the Company has designed and adopted EHS manuals and procedures to cover environmental aspects and health and safety risks that the facility / property can control and directly manage. Further for those that it does not directly control or manage but over which it can be expected to have an influence an Environment, Health and Safety Manual has been prepared and shared amongst the EHS leaders and champions for further knowledge sharing and awareness through dissemination.

There are no product risks but there are those related to the provision of services like ergonomics in work as well as those associated with the operation of utilities, indoor air quality, lift / elevator safety, fire safety procedures, personnel protective equipment, signages, etc.

Further, our risk assessment also periodically covers incidents that have been noted and immediate steps are taken to mitigate the associated risks.

During the year, no such instances have been noted which necessitated further action. The applicable processes have been briefly described in ‘a’ above

P1

c) **Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

P2

Not applicable, as BFS Group does not have any workers.

P3

d) **Do the employees/worker of the entity have access to non-occupational medical and healthcare services? (Yes/No)**

P4

Yes,

P5

11. Details of safety related incidents, in the following format:

P6

Safety Incident/Number	Category	FY2024	FY2023
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	NIL	NIL
Total recordable work-related injuries	Employees	NIL	NIL
No. of fatalities	Employees	NIL	NIL
High consequence work-related injury or ill-health (excluding fatalities)	Employees	NIL	NIL

P7

P8

P9

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

Refer 10 (a) above.

13. Number of Complaints on the following made by employees and workers:

	FY2024			FY2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	NIL	NIL		NIL	NIL	
Health & Safety	NIL	NIL		NIL	NIL	

14. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Health and safety practices	BFS Group strives to keep the workplace environment safe, hygienic and humane, upholding the dignity of the employees. Offices across the Group are internally assessed periodically through surveys, audits, etc. for various aspects of health and safety measures and related working conditions. As part of pilot implementation for the EHS Management System at Head office in Pune, an external assessment was conducted for health and safety practices and working conditions against which an ISO 14000:2015 and ISO 45001:2018 certification was achieved.
Working Conditions	

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks/concerns arising from assessments of health & safety practices and working conditions

None

P1

Leadership Indicators

P2

1. Does the entity extend any life insurance or any compensatory package in the event of death of Employees (Y/N)?

P3

Yes.

P4

All Group companies extend various support and compensatory package in the event of death of permanent employees. Each Company has their own programme and some of these include full month's pay with recovery waivers, iCare fund release, Group Term Life insurance assured amounts, etc.

P5

P6

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

P7

BFS Group strives to influence its partners in the value chain to participate in the responsible and sustainable business conduct depending upon their means and resources. Having said that, there are multiple measures to ensure that statutory dues have been deducted and deposited by them which include contractual commitments, obtaining evidence of payment, review / audit of value chain partners, seeking confirmations of compliance, etc., which depend on the nature of product / services rendered. For example, material subsidiaries on an annual basis select a sample of value chain partners to review their processes and controls, which includes their compliance for deduction and payment of statutory dues.

P8

P9

3. Provide the number of employees/ workers having suffered high consequence work related injury/ ill-health/ fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY2024	FY2023	FY2023	FY2023
Employees	NIL	NIL	NIL	NIL
Workers	N.A.	N.A.	N.A.	N.A.

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes.

The BFS Group invests significant time and resources in the training and development of its employees, help them stay ahead of latest trends and technology. With such trainings, most employees are skilled and tend to be employable upon retirement/termination.

5. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	BFS group expects all its value chain partners to follow extant regulations, including health and safety practices and working conditions.
Working Conditions	

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

In absence of any significant risks / concerns, no need for corrective action plan has been necessitated.

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PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders

Essential Indicators

1. Describe the processes for identifying key stakeholder groups of the entity

Individual or group concerned or interested with or impacted by the activities of the businesses and vice versa, now or in the future are identified as key stakeholder by the Group Companies. Based on this, the key stakeholders are shareholders and investors, customers, government and regulators, value chain partners, employees and the society. The Group understands the impact of its policies, decisions, products and services and associated operations on the stakeholders. In line with its policies, practices and processes, the Group engages with its stakeholders and strives to resolve differences with them in a just, fair, equitable and consistent manner, and if warranted takes corrective measures. The Group also engages with relevant stakeholders for enhancing the sustainable and responsible business practices.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group

Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	No	Multiple channels – physical and digital including quarterly investor presentations, press releases and communications through stock exchanges, participation in investor conferences, one on one investor meetings etc.	Frequent and need based	To inform about the performance, major developments and other relevant updates regarding the Company and Group
Customer	No	Multiple channels – physical and digital.	Frequent and need based	Servicing throughout the lifecycle of the customer and addressing queries / grievances that the customer may have Intimation of new offerings, etc.
Government and Regulators	No	Multiple channels – physical and digital.	Need based	To provide timely recommendations/ feedback on draft policies, representations before regulators and associations for advancement and improvement of financial services industry in India including enhancement of penetration of financial services.
Value chain Partner	No	Multiple channels – physical and digital including in-person meetings, emails, performance discussions, trainings, company policy/ process communication, periodical meets/ conferences, etc.	Frequent and need based	To enhance the access and understanding of relevant and financial products and services of the Group.
Employees	No	Multiple channels – physical and digital.	Daily	To create a thriving, safe and inclusive workplace for its employees and providing merit-based opportunities for professional development and growth.

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Stakeholder Group	Whether identified as Vulnerable & Marginalised Group (Yes/No)	Channels of communication	Frequency of engagement	Purpose and scope of engagement including key topics and concerns raised during such engagement
Society	Yes	Multiple channels – physical and digital.	Frequent and need based	To promote social welfare activities for inclusive growth, fair and equitable development and well being of society through our business functioning. Awareness of financial services performance & offerings.

Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Group companies to the extent considered necessary and permitted by regulations, ensure transparent communication and access to relevant information about its decisions that impact relevant stakeholders, keeping in mind the need to protect confidential competitive plans and information. Engagement with stakeholders is a continuous process, as part of the Group’s business activities. The Board of Directors are updated on various developments arising out of such engagement and they provide their guidance / inputs on such matters. Through various committees, the Board and the KMP are provided regular updates on feedback received from stakeholders, these include, but are not limited to:

- The Risk Management Committee of the Board
- The Board approved ESG Committee.

The engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

Continuous engagement with stakeholders helps in aligning expectations, thereby enabling the Group to better serve its stakeholders. The Company personnel interact with various stakeholders to understand the evolvment and relevance of ESG topics, their impact and expectations from the Group. Based on such interactions, the Group has over the last few years enhanced its reporting on business responsibility and has also started certain new initiatives. The Group believes that it is still learning the evolving aspects of ESG and lays significant importance to such interactions. For example, our BFS HO has initiated a pilot to implement a EHS project for environment, health and safety activities.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalised stakeholder groups

BFS Group companies through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons.

P1 **PRINCIPLE 5: Businesses should respect and promote human rights**

P2 **Essential Indicators**

P3 **1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:**

P5

Category	FY2024			FY2023		
	Total (A)	No. of employees /workers covered (B)	% (B/A)	Total (C)	No. of employees /workers covered (D)	% (D/C)
Employees						
Permanent	92,079	90,005	98%			Refer note below
Other than Permanent	NIL	NIL	NIL	NIL	NIL	NIL
Workers						
Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other than Permanent	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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Note: From FY 2024 the BFS Group has separately started recording the information in respect of training on human rights issues and has accordingly been reported.

Our commitment to employees' rights is enshrined in the Employee Charter- Human Rights Statement of the respective Company – which sets out what employees can reasonably expect from the company (Employee Rights) and the responsibilities and qualities that are expected from them while performing their duties (Employee Responsibilities).

It also lays down the principles of equal opportunity and non-discrimination, anti-corruption and bribery, prohibition of forced and child labour, transparency, safe healthful and harassment-free workplace, amongst others.

BFS Group companies uses various mediums to create awareness on ESG initiatives (including human rights) for its employees through use of social media as well as internal communication channels- Intranets, HR bulletins, Video Snippets, etc.

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY2024					FY2023				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Permanent Employees										
Male	80,562	147	0.20%	80,415	99.80%	65,193	22	0.10%	65,171	99.90%
Female	11,517	6	0.10%	11,511	99.90%	8,147	2	0.10%	8,145	99.90%
Other than Permanent Employees										
Male	27,935	785	2.80%	27,150	97.20%	16,712	885	5.30%	15,827	94.70%
Female	18,986	318	1.70%	18,668	98.30%	9,974	331	3.30%	9,643	96.60%

P1 **3. Details of remuneration/ salary/ wages, in the following format**

P2 **a) Median remuneration/wages:**

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category (In ₹ Cr)	Number	Median remuneration/ salary/ wages of respective category (In ₹ Cr)
Board of Directors (BoD)*	7	0.44	1	0.60
Bord of Directors Executive (CMD)	1	31.67	0	
Key Managerial Personnel	1	12.76	1	0.70
Employees other than BoD and KMP	97,705	0.06	15,088	0.05

* All Non-Executive Directors are entitled to same sitting fees and commission. Differences in remuneration arise because of the number of meetings attended as per their memberships of different committees

b) Gross wages paid to females as % of total wages paid by the entity, in the following format:

	FY2024	FY2023
Gross wages paid to females as % of total wages	9.10%	8.50%

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues?

While BFS Group aims to not have a situation that leads to any grievance; should such a situation arise, BFS Group has a well-defined Grievance redressal mechanism for its employees. A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation. The Group regards respect for human rights as one of its fundamental and core values and strives to support, protect and promote human rights to ensure that fair and ethical business and employment practices are followed.

BFS Group believes that every workplace shall be free from violence, harassment, intimidation and / or any other unsafe or disruptive conditions, either due to external or internal threats. Accordingly, BFS Group has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity.

BFS Group also has zero tolerance towards and prohibits all forms of slavery, coerced labour, child labour, human trafficking, violence or physical, sexual, psychological or verbal abuse. As a matter of policy, BFS Group does not hire any employee or engage with any agent or vendor against their free will.

Across the Group, Designated Ethics Officer at each the companies deals with the issues of the respective Company. BFS Group Employees must promptly report any violation of this Code to their Manager and to the Ethics Officer.

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6. Number of Complaints on the following made by employees and workers:

	FY2024			FY2023		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	38	5	The pending cases as on 31 March 2024 will be resolved as per respective Company's policy.	14	1	The pending cases as on 31 March 2023 are in process of resolution as per respective Company's policy.
Discrimination at workplace	NIL	NIL		NIL	NIL	
Child Labour	NIL	NIL		NIL	NIL	
Forced Labour/ Involuntary Labour	NIL	NIL		NIL	NIL	
Wages	NIL	NIL		NIL	NIL	
Other human rights related issues	NIL	NIL		NIL	NIL	

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format:

	FY2024	FY2023
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	38	14
Complaints on POSH as a % of female employees/workers	0.31%	0.17%
Complaints on POSH upheld	21	10

8. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases?

A formal grievance mechanism is available to all employees to report or raise their concerns confidentially and anonymously, without fear of retaliation, along with mechanism to consult on ethical issues through the explicit means provided by CoEPC, employee charter, disciplinary action committee reviews, Whistle Blower and vigil mechanism policies. BFS Group prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the Code of ethics and professional conduct of the Company which includes aspects of discrimination and harassment.

It is the duty of every Employee to report instances of possible CoEPC violations that they are aware of.

At BFS Group, sharing a concern about the code honestly and in good faith, even if it turns out to be unfounded – is never an excuse for any kind of retaliation. The BFS Ethics Officers will ensure CoEPC investigations are conducted in a fair and confidential manner and that there will not be any adverse impact on Employees who highlight possible CoEPC violations in good faith. BFS also prohibits retaliation for using any of BFS's complaint reporting procedures, if made in good faith, or for filing, testifying, assisting or participating in any investigation conducted by a government enforcement agency.

9. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

The Group appreciates the inherent, universal, indivisible, inalienable and interdependent nature of human rights. The Group strives to percolate these values, through its policies, at all levels in the Group. The company has included ESG specific clauses which covers the general human rights parameters in the vendor contracts.

P1

10. Assessments for the year

P2

% of your plants and offices that were assessed (by entity or statutory authorities or third parties)

P3

Child labour

P4

Forced/involuntary labour

P5

Sexual harassment

Discrimination at workplace

The Group follows the relevant laws as applicable.

P6

Wages

P7

Others – please specify

P8

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above.?

P9

No corrective actions pertaining to Question 9 was necessitated by the Group during the year under review.

Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

There have been no significant human rights grievances / complaints warranting modification / introduction of business processes.

2. Details of the scope and coverage of any Human rights due diligence conducted

N.A.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

As a principle the Company through its Employee Charter and Human Rights Statement prohibits discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act, 2016 and Transgender persons (Protection of Rights) Act 2019.

4. Details on assessment of value chain partners

% of value chain partners (by value of business done with such partners) that were assessed

Sexual Harassment

Discrimination at workplace

Child Labour

Forced Labour/ Involuntary Labour

Wages

Others – please specify

Refer note below.

Note: The vendor agreements are aligned with all legal and regulatory compliance requirement as determined by business and law of the land. The Group expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by the Group in all their dealings. No specific assessment in respect of value chain partners has been carried out other than certain elements covered in annual review of processes and controls of select sample of value chain partners by material subsidiaries.

5. Provide details of any corrective actions taken or underway to address significant risks/ concerns arising from the assessments at Question 4 above.

No corrective actions pertaining to Question 4 was necessitated by the Group during the year under review.

P1 **PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

P2 **Essential Indicators**

P3 **1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:**

Parameter	Unit of measurement	FY2024	FY2023
From Renewable sources			
Total electricity consumption (A)	Gigajoules	2,566	1,446
Total fuel consumption (B)	Gigajoules	0	0
Energy consumption through other sources (C)	Gigajoules	0	0
Total energy consumed from renewable sources (A+B+C)		2,556	1,446
From Non-renewable sources			
Total electricity consumption (D)	Gigajoules	212,465	167,664
Total fuel consumption (E)	Gigajoules	55,402	49,552
Energy consumption through other sources (F)	Gigajoules	-	-
Total energy consumption from non-renewable sources (D+E+F)	Gigajoules	267,867	217,216
Total energy consumed (A+B+C+D+E+F)		270,423	217,216
Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)		2.45	2.65
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/ Revenue from operations adjusted for PPP)		54.87	59.06
Energy intensity in terms of physical output		N.A.	N.A.
Energy intensity (optional) – the relevant metric may be selected by the entity		N.A.	N.A.

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. DNV Business Assurance India Private Limited

P6 **2. Does the entity have any sites/facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.**

N.A.

P1 **3. Provide details of the following disclosures related to water.**

Parameter	FY2024	FY2023
Water withdrawal by source (in kilolitres)		
(i) Surface water	-	-
(ii) Groundwater	-	-
(iii) Third party water	-	-
(iv) Seawater/desalinated Water	-	-
(v) Others	-	-
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
Total volume of water consumption (in kilolitres)**	870,931	704,829
Water intensity per rupee of turnover (Water consumed/turnover)	7.89	8.59
Water intensity (optional)-the relevant metric may be selected by the entity		
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	176.74	190.39
Water intensity in terms of physical output	N.A.	N.A.
Water intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.

* The water consumption is based on the Central Ground Water Authority (CGWA) estimate for water consumption which determines the water availability is at 45 litres per head per working day for offices. The consumption pattern at couple of large offices in the group also approximates to 45 litres per head per working day.

The intensity is based on average workforce in permanent employees and working days being calculated at 231 days.

P6 **4. Provide the following details related to water discharged***

Parameter	FY2024	FY2023
Water discharge by destination and level of treatment (in kilolitres)		
(i) Surface water	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(ii) Groundwater	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(iii) To Seawater	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(iv) Sent to third parties	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
(v) Others	-	-
No treatment -	-	-
With treatment – please specify level of treatment	-	-
Total water discharged (in kilolitres)	-	-

* Given the nature of business operations of the BFS Group, water discharge is not being monitored and therefore not reported

P7 **5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.**

No

P1 **6. Please provide details of air emissions (other than GHG emissions) by the entity, in the**
P2 **following format:**

Parameter	Please specify unit	FY2024	FY2023
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)		N.A.	
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-Please specify			

P7 Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name
P8 of the external agency.

P9 **7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:**

Parameter	Unit	FY2024	FY2023
Total Scope 1 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	6,057	14,843
Total Scope 2 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	42,089	36,793
Total Scope 1 and Scope 2 emissions per rupee of turnover *	Per crore of Consolidated Total Revenue from operations	0.44	0.63
Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted Purchasing Power Parity (PPP): Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Per crore rupee of turnover adjusted Purchasing Power Parity	9.77	13.94

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes. DNV Business Assurance India Private Limited

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

The Group has undertaken various projects on environmental sustainability such as ecological restoration, waste management and clean energy projects. 138 windmills of the Company with installed capacity of 65.2 MW generated over 90.4 million units of electricity, which is more than the electricity consumed by the BFS Group. The Group is a net generator of renewable power.

In addition, there are rooftop solar plants installed capacity of 757KWh which has generated 0.7 million units in FY2024.

9. Provide details related to waste management by the entity, in the following format:

Parameter	FY2024	FY2023
Total waste generated (in metric tonnes)		
Plastic waste (A)	0	0
E-waste (B)	66.58	19.50
Bio-medical waste (C)	0.01	0
Construction and demolition waste (D)	0	N.A.
Battery waste (E)	35.83	NIL
Radioactive waste (F)	0	N.A.
Other Hazardous waste. Please specify, if any (G) DG Set Oil	1.17	NIL
Other Non-hazardous waste generated (H). Please specify if any (Break-up by composition i.e. by materials relevant to the sector)	0	0
Total (A+B+C+D+E+F+G+H)	103.59	19.50

	Parameter	FY2024	FY2023
P1	Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0	0
P2	Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.02	0.01
P3	Waste intensity in terms of physical output	N.A.	N.A.
P4	Waste intensity (optional) – the relevant metric may be selected by the entity	N.A.	N.A.
P5	For each category of waste generated, total waste recovered through recycling–using or other recovery operations (in metric tonnes)		
P6	Category of waste		
P7	(i) Recycled	103.58	19.50
P8	(ii) Re-used	0	0
P9	(iii) other recovery operations	0	0
	Total	103.58	19.50
	For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
	Category of waste		
	(i) Incineration	0	0
	(ii) Landfilling	0	0
	(iii) Other disposal operations	0	0
	Total	0	0

* Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, DNV Business Assurance India Private Limited

10. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes

Given the nature of the business, there is no usage of hazardous and toxic chemicals by the Group companies.

11. If the entity has operations/ offices in/-around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

No

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

N.A.

13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Based on the nature of business, the Group is following applicable environmental norms as per the required guidelines in India for necessary compliance.

Leadership Indicators

1. Water withdrawal, consumption, and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

Name of the area: N.A.

Nature of operations: N.A.

Water withdrawal, consumption, and discharge in the following format

	Parameter	FY2024	FY2023
P1	Water withdrawal by source (in kilolitres)	-	-
P2	(i) Surface water	-	-
P3	(ii) Groundwater	-	-
P4	(iii) Third party water	-	-
P5	(iv) Seawater/desalinated Water	-	-
P5	(v) Others	-	-
P6	Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	-	-
	Total volume of water consumption (in kilolitres)	-	-
P7	Water intensity per rupee of turnover (Water consumed / turnover)	-	-
P8	Water intensity (optional) - the relevant metric may be selected by the entity	-	-
P9	Water discharge by destination and level of treatment (in kilolitres)	-	-
	(i) Into Surface water	-	-
	No treatment -	-	-
	With treatment - please specify level of treatment	-	-
	(ii) Into Groundwater	-	-
	No treatment -	-	-
	With treatment - please specify level of treatment	-	-
	(iii) Into Seawater	-	-
	No treatment -	-	-
	With treatment - please specify level of treatment	-	-
	(iv) Sent to third parties	-	-
	No treatment -	-	-
	With treatment - please specify level of treatment	-	-
	(v) Others	-	-
	No treatment -	-	-
	With treatment - please specify level of treatment	-	-
	Total water discharged (in kilolitres)	-	-

Note: Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY2024	FY2023
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	28,753	18,747
Total Scope 3 emissions per rupee of turnover	Per crore of Consolidated Total Income	0.26	0.23
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity		N.A.	N.A.

Indicate if any independent assessment/ evaluation/ assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

Yes, DNV Business Assurance India Private Limited

3. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

N.A.

P1 **4. If the entity has undertaken any specific initiatives or used innovative technology or**
 P2 **solutions to improve resource efficiency, or reduce impact due to emissions / effluent**
 P3 **discharge/waste generated, please provide details of the same as well as outcome of such**
 P4 **initiatives, as per the following format:**

P5 Responsible waste treatment or disposal is an area of focus for our group. We have implemented a
 P6 systematic process for collecting, segregating of different type of waste at source across the premises
 P7 and as a pilot implemented an organic waste management process at Head Office in Pune. An organic
 P8 waste converter – composting machine is being used to process organic waste collected from the
 P9 premises as part of waste to wealth initiative waste into smaller, decomposable particles. This process
 results in nutrient nutrient-rich compost, providing a circular and self-sufficient solution.

Our facility generated ~2.72 Metric Tonnes of nutrient-rich compost for FY2024. The compost is used in
 gardening area of Bajaj Finserv Head Office premises, promoting sustainable practices for available green
 spaces with the building.

Also there is an active rainwater harvesting facility at the Head Office. Through the season an average of
 over ~2000 KL was reused in maintaining green spaces in the office premises.

5. Does the entity have a business continuity and disaster management plan?

Yes.

All material subsidiaries have Business Continuity Plan (BCP, strategies and framework) which is also
 compliant with applicable regulatory requirements. BCP envisages the disruptive events, their probability
 and impact on business operations which is assessed through business impact analysis. These aim to
 eliminate or minimise any potential disruption to critical business operations. The BCP includes Disaster
 Recovery procedures to quickly recover from an emergency.

A Business Continuity Plan (BCP) envisages likely disruptive events, their probability and impact on
 business operations. These are assessed through business-impact analysis to counter threats and
 challenges pertaining to information security, cyber security, and fraud.

The Group companies are compliant with the following:

- ISO 27001:2013 Information Security Management System
- ISO 22301:2012 Business Continuity Management System

Annual BCP drills are conducted to ensure that the BCP is effective given the current nature of business
 processes, infrastructure, personnel, etc. For more details, refer Section on Other Disclosures (*) in material
 companies Annual Reports.

**6. Disclose any significant adverse impact to the environment, arising from the value chain
 of the entity. What mitigation or adaptation measures have been taken by the entity in
 this regard.**

Given the nature of the business, there has been no significant adverse impact to the environment.

**7. Percentage of value chain partners (by value of business done with such partners) that were
 assessed for environmental impacts.**

NIL

P1

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

P2

Essential Indicators

P3

1. a. Number of affiliations with trade and industry chambers/ associations.

P4

b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

P5

P6

P7

Sr. No.	Name of the Trade and Industry Chambers Associations	Company Name	Reach of Trade and Industry Chambers / Associations (State / National)
1	Confederation of Indian Industry	BFS, BAGIC, BALIC	International
2	World Economic Forum	BFS	International
3	General Insurance Council	BAGIC	National
4	Indo German Chamber of Commerce		International
5	Council for Insurance Ombudsmen	BAGIC, BALIC	National
6	Insurance Information Bureau of India	BALIC	National
7	Life Insurance Council	BALIC	National
8	Internet and Mobile Association of India	BFDL	National

P8

P9

2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No corrective action was necessitated by the Group during the year under review		

Leadership Indicators

1. Details of public policy positions advocated by the entity:

Sr. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/ Half yearly/ Quarterly / Others – please specify)	Web Link, if available
Please refer the note below					

BFS Group maintains regular engagement with the Government agencies and regulators and stands committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc., as and when required. It keenly participates in putting forward views on the setting of new industry standards or regulatory developments pertaining to the financial services industry.

While making recommendations, in line with our policy, we attempt to balance the interest of various stakeholders. The senior executives of BFS Group engage with RBI, SEBI, IRDAI and other regulators on a periodic basis or as and when required. This enables the BFS Group to understand their areas of focus and concerns.

All interactions with the Government and regulators are done by authorised officials of the respective company. BFS is a member of World Economic Forum and Confederation of Indian Industries (CII), through which it actively engages in policy advocacy.

BFS and its subsidiaries are members of various trade and industry chambers, associations, councils and such other collective platforms ('forums'). We proactively contribute to the discussions and resolutions within the scope of these forums. Refer section Stakeholder Engagement.

P1 **PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**P2 **Essential Indicators**P3 **1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.**

P4 During the year there were no projects which required Social Impact Assessment as per applicable laws.

P5 **2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format**

P6 N.A.

P7 **3. Describe the mechanisms to receive and redress grievances of the community.**

P8 The Bajaj Group Companies have various mechanisms to receive and redress feedback from of various stakeholders.

P9 **4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:**

Amt ₹ In crore	FY2024	FY2023
Directly sourced from MSMEs/small producers	8.43%	9.80%
Sourced directly from within the district and neighbouring districts	N.A.	N.A.

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY2024	FY2023
Rural	1.60%	1.20%
Semi-urban	7.70%	8.00%
Urban	24.40%	25.00%
Metropolitan	66.40%	65.80%

Leadership Indicators**1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):**

Details of negative social impact identified	Corrective action taken
N.A.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies

Sr. No.	State	Aspirational District*	₹ in crore
1	Rajasthan	Sirohi	0.92
2	Maharashtra	Gadchiroli	0.07
3	Odisha	Dhenkanal	0.34
4	Odisha	Rayagada	0.41
5	Chhattisgarh	Bastar	0.50
6	Jharkhand	Ranchi	0.98
7	Uttarakhand	Hardwar	0.02

* Amount allocated to the aspirational district is for the complete MOU period of the project/s and not for the year under consideration.

- P1 **3.** (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)
- P2 (b) From which marginalised /vulnerable groups do you procure?
- P3 (c) What percentage of total procurement (by value) does it constitute?
- P4 Not Applicable

P5 **4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge.**

P6 Sr. No	Intellectual Property based on traditional knowledge	Owned / Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
P7	Not Applicable			

P8

P9 **5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.**

Name of authority	Brief of the Case	Corrective action taken
No corrective actions pertaining to above mentioned parameters was necessitated by BFL Group during the year under review		

6. Details of beneficiaries of CSR Projects:

Sr. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable & marginalised groups
1	Child	1.25 million	100
1.1	Education	0.47 million	100
1.2	Health	0.15 million	100
1.3	Physical & Intellectual Disability	0.18 million	100
1.4	Prevention of Mortality	0.43 million	100
1.5	Protection	0.02 million	100
2	Youth	0.25 million	100
2.1	Livelihood Initiatives	0.12 million	100
2.2	PWD Skilling	0.01 million	100
2.3	Skilling for Employment	0.11 million	100
2.4	Skilling for Self -Employment / Enterprise	0.01 million	100
Total Beneficiary*		1.50 million	100

* The beneficiaries are estimated for full project period and not for the financial year under consideration.

Beneficiaries are from vulnerable and marginalised groups, as all the CSR initiatives and activities taken up at the various work centres and locations benefit different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons. For more details on the CSR initiatives undertaken during the year, Section Empowering society in the ESG Report available on company website.

P1 **PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a**
 P2 **responsible manner**

P3 **Essential Indicators**

P4 **1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.**

P5 Timely and appropriate customer grievance redressal is imperative. In fact, we aim to reduce the
 P6 grievances learning from our experiences, through root cause analysis. The Group’s dealings with its
 P7 customers are professional, fair and transparent. BFS Group has a robust customer/policy holders services
 P8 governance framework and same are enumerated under the section of Customer centricity.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information

Transparency and fairness in dealings with customers is followed across the Group. None of the products withhold any relevant information needed by the customers to make informed decisions.

P9

3. Number of consumer complaints in respect of the following:

Some of the initiatives in this regard are:

	FY2024			FY2023		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	NIL	NIL	None	NIL	NIL	None
Advertising						
Cyber- security						
Restrictive Trade practices						
Unfair Trade practices						
Others	12,547	16	Pending complaints as on 31 March 2024 have been suitably addressed in April 2024	10,551	7	Pending complaints as on 31 March 2023 have been suitably addressed in April 2023

Some of the initiatives in this regard are:

- The BFS Group companies, through their charters, policies etc., communicate customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable. These emphasise our commitment to fair practices by maintaining transparency in products and services offered.
- Dedicated customer complaint reduction units are in place, to review the grievance redressal mechanism under oversight of the Boards of respective material subsidiaries.
- Customer grievances are also reviewed with focus on identification of root cause, corrective action plans and customer service initiatives.
- Detailed customer grievance handling mechanism is further enumerated under section Customer centricity of the Report as well as on respective company websites.

P1 **4. Details of instances of product recalls on account of safety issues.**

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		N.A.

P4 **5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

P5 Yes,

P6 Each of the material subsidiaries in the Group has adopted an information security framework to establish, implement, monitor and constantly improve its information security posture. We focus on privacy of customer information and data security. The material subsidiaries of the Company are compliant with ISO 27001:2013 Information Security Management System. They also comply with the applicable regulatory framework and guidelines (viz. RBI's Master Direction – Information Technology Framework for the NBFC Sector, IRDAI's Guidelines on Information and Cyber Security for Insurers, etc).

P7 In case of material subsidiaries, IT Security related projects and operations are reviewed by a committee, under oversight of Board of respective companies. These committees meet at least on a half-yearly frequency. Dedicated teams manage cyber security programme and operations for digital initiatives. For more details refer Information security, cyber security and fraud controls of the ESG report or the Risk Framework as details in the Annual Reports under Section of Other Disclosures for Bajaj Finserv Ltd. and the material companies.

P8 **6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty/action taken by regulatory authorities on safety of products/services.**

No penalties/regulatory action has been levied or taken on the above-mentioned parameters.

7. Provide the following information relating to data breaches:

- a) Number of instances of data breaches: NIL
- b) Percentage of data breaches involving personally identifiable information of customers: NIL
- c) Impact, if any, of the data breaches: NIL

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

BFS Group companies envisage to be an Omnipresent financial services provider company that enabling its existing and new customer to engage, transact and be serviced online to offline and vice versa.

Information relating to various financial services provided by the BFS Group is available on the Company's website, <https://www.aboutbajajfinserv.com/about-us>

In addition, the Group companies actively use various social media and digital platforms to disseminate information on its products suite. Alternatively, website navigation to the other companies is available from Bajaj Finserv Homepage (Link: <https://www.aboutbajajfinserv.com/>)

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

As a responsible corporate citizen, it is imperative to not just do business with customers, but also educate them and make them more aware of what could be good or bad for them, frauds, addressing their questions on financial products, etc. Each Group company has a mechanism to inform customers on usage of products offered. Continuous and contextual communication across the customer lifecycle through - press releases, yearly customer engagements, company website and blogs, social media campaigns, use of video content, on- ground activities, participation in insurance awareness programmes – GIC, Product awareness Campaigns, awareness campaigns during the pandemic, webinars, feature based audio-visual content for ease of understanding, etc. have helped us educate and create awareness amongst our customers and society at large.

P1

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

P2

P3

P4

P5

P6

Tech-led seamless customer experiences have been the hallmark of our businesses. Each business is unique and so is its approach towards enhancing customer experience. But the core objectives that tie them together stay the same – simplification of processes, ease of use and quick and appropriate response. The importance of information security, cyber security and fraud controls cannot be over-emphasised in this technological age. The need for robust control over these areas find a dominant place in our information technology framework. These controls obviate disruptions and security threats endangering loss of customer data and disruption in business operations.

P7

In line with the IRDAI regulation, the insurance subsidiary companies shall give two-month advance notice in newspaper before re-allocation or closure of branch office and the same also published on the website.

P8

All material subsidiaries have business continuity strategy and framework which is also compliant with applicable regulatory requirements. Business Continuity Plan (BCP) envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis.

P9

All material subsidiaries have business continuity strategy and framework which is also compliant with applicable regulatory requirements. Business Continuity Plan (BCP) envisages the likely disruptive events, their probability and impact on business operations which is assessed through business impact analysis

The Business Continuity Plan (BCP) are regularly assessed through business-impact analysis to counter threats and challenges pertaining to information security, cyber security, and fraud. The BFS Group material companies are compliant with the following:

- ISO 22301:2012 Business Continuity Management System
- ISO 27001:2013 Information Security Management System

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

Yes,

Transparency and fairness in dealings with customers is followed across the Group. None of the products withhold any relevant information needed by the customers to make informed decisions.

The BFS Group companies through their charters, policies, etc. communicate the customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable which emphasise our commitment to fair practices by maintaining transparency in products and services offered.

Yes. The material subsidiaries carry out various surveys on regular basis for continuous listening to customers and driving continuous transformation to provide them a frictionless experience.

Independent Assurance Statement

Introduction

DNV Business Assurance India Private Limited ('DNV'), has been commissioned by Bajaj Finserv Limited (Corporate Identity Number L65923PN2007PLC130075, hereafter referred to as 'BFS' or 'the Company') to undertake an independent assurance of the Company's disclosures in Business Responsibility and Sustainability Report (hereafter referred as 'BRSR'). The disclosures include the 9 core attributes of BRSR as per Annex I of SEBI circular dated 12 July 2023 and the rest non-financial quantitative disclosures in BRSR (Annexure II of SEBI circular dated 12 July 2023).

Reporting standard/framework

The disclosures have been prepared by BFS in reference to:

- BRSR Core – Framework for assurance and ESG disclosures for value chain as per SEBI (Securities and Exchange Board of India) Circular No. SEBI/HO/CFD/CFD-SEC-2/P/CIR/2023/122 dated July 12, 2023.
- BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated May 10, 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023.
- Greenhouse Gas Protocol: *A Corporate Accounting and Reporting Standard*.

Assurance Methodology/Standard

This assurance engagement has been carried out in accordance with DNV's VeriSustain™ protocol (v6.0), which is based on our professional experience and international assurance practice, and the international standard in Assurance Engagements, ISAE 3000 (revised) - *Assurance Engagements other than Audits or Reviews of Historical Financial Information*. DNV's VeriSustain™ Protocol has been developed in accordance with the most widely accepted reporting and assurance standards. Apart from DNV's VeriSustain™ protocol (v6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification and validation of greenhouse gas statements* to evaluate indicators wrt. Greenhouse gases disclosures.

Intended User

The intended user of this assurance statement is the Management of Bajaj Finserv Limited ('the Management').

Level of Assurance

- Reasonable Level of assurance for the 9 core attributes of BRSR (Ref: Annexure I of SEBI circular)
- Limited Level of assurance for the rest non-financial quantitative disclosures of BRSR report (Ref: Annexure II of SEBI circular).

Responsibilities of the Management of BFS and of the Assurance Provider

The Management of BFS has the sole responsibility for the preparation of the BRSR and is responsible for all information disclosed in the BRSR Core and BRSR Report. The company is responsible for maintaining processes and procedures for collecting, analyzing and reporting the information and also, ensuring the quality and consistency of the information presented in the Report. BFS is also responsible for ensuring the maintenance and integrity of its website and any referenced BRSR disclosures on their website.

In performing this assurance work, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion and is intended to inform the outcome of the assurance to the stakeholders of the Company.

Scope, Boundary and Limitations

Scope

The scope of our engagement includes independent

- a) Reasonable level of assurance of 'BRSR 9 Core Attributes' (Ref: Annexure I of SEBI Circular) and
- b) Limited level of assurance for the rest non-financial quantitative disclosures in BRSR (Ref: Annexure II of SEBI circular) for Financial Year (FY) 2023-24 as listed below-
 - o Section A: General Disclosures- 20-a, b, 21, 22, 25
 - o Section C: Principle Wise Performance Disclosure-
 - Principle 1: Essential Indicator 1, 6

- Principle 3: Essential Indicator 1-a, 2, 5, 8, 9, 13
- Principle 5: Essential Indicator 1, 2, 6, 7
- Principle 6: Essential Indicator 1,3,7,9* ; Leadership Indicator 2**
- Principle 8: Essential Indicator 5; Leadership Indicator 6
- Principle 9: Essential Indicator 3,7

*Total water consumption is derived from "National Building Code (NBC) - Bureau of Indian Standards (BIS), 2016 - Estimation of Water Requirement for Drinking and Domestic Use" - "45 litres per person per working day". **Scope 3 GHG emissions are reported for Categories 1, 6 and 9 as per GHG Protocol.

Boundary of our assurance work:

Boundary covers the performance of BFS and its 9 subsidiaries & 2 Joint Ventures as mentioned below and having operations in India and falling under the direct operational control of the Company's Legal structure.

1. Bajaj Allianz Life Insurance Company Limited (BAGIC)
2. Bajaj Allianz General Insurance Company Limited (BALIC)
3. Bajaj Finance Limited (BFL)
4. Bajaj Finserv Direct Limited (BFDL)
5. Bajaj Housing Finance Limited (BHFL)
6. Bajaj Financial Securities Limited (BFSL)
7. Bajaj Finserv Ventures Limited (BFVL)
8. Bajaj Finserv Asset Management Limited (AMC)
9. Bajaj Finserv Health Limited (BFHL/EBH)
10. Bajaj Allianz Financial Distributor Limited (BAFDL) -JV
11. Bajaj Allianz Staffing Solutions Limited (BASSL) -JV

Based on the agreed scope with the Company, the boundary of verification covers the operations of BFS and its subsidiaries across all locations in India.

Limitation(s):

We performed a reasonable level of assurance for the BRSR Core indicator and limited level of assurance for the rest non-financial quantitative BRSR indicators based on our assurance methodology DNV's VeriSustain™ protocol (v6.0).

The assurance scope has the following limitations:

- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company. DNV opinion on specific BRSR Core indicators (ref- for total revenue from operations; Principle 3, Question 1(c) of Essential Indicators for Spending on measures towards well-being of employees and workers - cost incurred as a % of total revenue of the company; Principle 8, Question 4 of Essential Indicators, Principle 1, Question 8 of Essential Indicators and Principle 1, Question 9 of Essential Indicators) relies on the third party audited data. DNV does not take any responsibility of the financial data reported in the audited financial reports of the Company.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of assurance.
- Data outside the operations specified in the assurance boundary is excluded from the assurance, unless explicitly mentioned otherwise in this statement.
- The assurance does not cover the Company's statements that express opinions, claims, beliefs, aspirations, expectations, aims, or future intentions. Additionally, assertions related to Intellectual Property Rights and other competitive issues are beyond the scope of this assurance.
- The assessment does not include a review of the Company's strategy or other related linkages expressed in the Report. These aspects are not within the scope of the assurance engagement.
- The assurance does not extend to mapping the Report with reporting frameworks other than those specifically mentioned. Any assessments or comparisons with frameworks beyond the specified ones are not considered in this engagement.
- Aspects of the Report that fall outside the mentioned scope and boundary are not subject to assurance. The assessment is limited to the defined parameters.
- The assurance engagement does not include a review of legal compliances. Compliance with legal requirements is not within the scope of this assurance, and the Company is responsible for ensuring adherence to relevant laws.
- The assurance engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.

Assurance process

As part of the assurance process, a multi-disciplinary team of assurance specialists performed assurance work for selected sites of BFS and its subsidiaries. For limited level of verification, we adopted a risk-based approach, that is, we concentrated our assurance efforts on the issues of high material relevance to the Company's business and its key stakeholders. We carried out the following activities:

BRSR Core Indicators - Reasonable level of Assurance	Rest non-financial quantitative disclosures in BRSR Report - Limited Level of Assurance
Reviewed the disclosures under BRSR Core, encompassing the framework for assurance consisting of a set of Key Performance Indicators (KPIs) under 9 ESG attributes. The format of BRSR Core is used as a basis of reasonable level of assurance	Reviewed the disclosures under BRSR reporting guidelines. Our focus included general disclosures, management processes, principle wise performance (essential indicators, and leadership indicators) and any other key metrics specified under the reporting framework. The BRSR reporting format used a basis of limited level of assurance.
Evaluation of the design and implementation of key systems, processes and controls for collecting, managing and reporting the BRSR Core indicators	Understanding the key systems, processes and controls for collecting, managing and reporting the non-financial quantitative disclosures in BRSR report.
Assessment of operational control and reporting boundaries	Walk-through of key data sets. Understand and test, on a sample basis, the processes used to adhere to and evaluate adherence to the reporting principles.
Seek extensive evidence across all relevant areas, ensuring a detailed examination of BRSR Core indicators. Engaged directly with internal stakeholders to gather insights and corroborative evidence for each disclosed indicator.	Collect and evaluate documentary evidence and management representations supporting adherence to the reporting principles.
Interviews with selected senior managers responsible for management of disclosures and review of selected evidence to support environmental KPIs and metrics disclosed in the Report. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.	Interviews with the senior managers responsible for management of disclosures. We were free to choose interviewees and interviewed those with overall responsibility of monitoring, data collation and reporting the selected indicators.
DNV audit team conducted on-site audits for data testing and also, to assess the uniformity in reporting processes and also, quality checks at different locations of the Company. Sites for data testing and reporting system checks were selected based on the %age contribution each site makes to the reported indicator, complexity of operations at each location (high/low/medium) and reporting system within the organization. Sites selected for audits are listed in Annexure-II.	DNV audit team conducted on-site audits for corporate offices and sites. Sample based assessment of site-specific data disclosures was carried out. We were free to choose sites for conducting our assessment.
Conduct a comprehensive examination of key material aspects within the BRSR Core framework supporting adherence to the assurance based on applicable principles plus specified data and information.	Reviewed the process of reporting as defined in the assessment criteria.

In both the cases, DNV teams conducted the:

- Verification of the data consolidation of reported performance disclosures in context to the Principle of Completeness.
- Verification of the consolidated reported performance disclosures in context to the Principle of Completeness as per DNV's VeriSustain™ protocol (v6.0) for reasonable level verification for the disclosures.

Conclusion

Reasonable level of Assurance- BRSR 9 Core Attributes

Based on our review and procedures followed for reasonable level of assurance, DNV is of the opinion that, in all material aspects, the BRSR 9 Core Attributes (as listed in Annexure I of this statement) for FY 2023-24 are reported in accordance with reporting requirements outlined in BRSR Core (Annexure I of SEBI Circular dated 12 July 2023).

Limited Level of Assurance- BRSR Reporting Format

On the basis of the assessment undertaken, nothing has come to our attention to suggest that the BRSR disclosures of Bajaj Finserv Limited as mentioned under section 'Scope' do not properly adhere to the reporting requirements as per BRSR reporting guidelines (Annexure II of SEBI Circular) for FY 2023-24.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity assessment - General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the assurance engagement and maintain independence wherever required by relevant ethical requirements. This engagement work was carried out by an independent team of sustainability assurance professionals. During the reporting period i.e. FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data included in the Report except for this Assurance Statement for internal use of Bajaj Finserv Limited. DNV maintains complete impartiality toward stakeholders interviewed during the assurance process. To the best of our knowledge, we did not provide any services to Bajaj Finserv Limited in the scope of assurance for the reporting period that could compromise the independence or impartiality of our work.

Purpose and Restriction on Distribution and Use

This assurance statement, including our conclusion has been prepared solely for the exclusive use and benefit of management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV’s work or this assurance statement. The usage of this assurance statement shall be governed by the terms and conditions of the contract between DNV and BFS and DNV does not accept any liability if this assurance statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this assurance statement. No part of this assurance statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

Ankita Parab Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Kakaraparthi Venkata Raman Assurance Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
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20/06/2024, Mumbai, India.

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

Annex I

Verified Data

Sr. No.	Attribute	Parameter	Unit of Measures	Assured Values
1	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions	MT of CO2e	6057
		Total Scope 2 emissions	MT of CO2e	42089
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover	MT CO2e/ Revenue from operations in ₹ Cr	0.44
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT CO2e/ Revenue from operations in ₹ Cr adjusted to PPP	9.77
		Total Scope 1 and Scope 2 emission intensity in terms of physical output	MT CO2e/ Consolidated Total Loan Portfolio in ₹ Cr	-
2	Water footprint	Total water consumption**	KL	870931
		Water consumption intensity	KL/ Revenue from operations in ₹ Cr	7.89
			KL / Revenue from operations in ₹ Cr adjusted for PPP	176.74
		Water intensity in terms of physical output	KL/ Consolidated Total Loan Portfolio in ₹ Cr	-
Water Discharge by destination and levels of Treatment	KL	Not reported		
3	Energy footprint	Total energy consumed	Giga Joules (GJ)	2,70,423
		% of energy consumed from renewable sources	In % terms	0.95
		Energy intensity	GJ/ Revenue from operations in ₹ Cr	2.45
			GJ/ Revenue from operations in ₹ Cr adjusted for PPP	54.87
			GJ/ Consolidated Total Loan Portfolio in ₹ Cr	-
4	Embracing circularity - details related to waste management by the entity	Battery waste	MT	35.83
		E-waste	MT	66.58
		Other Hazardous Waste	MT	1.17
		Biomedical Waste	MT	0.010
		Total	MT	103.59
		Waste intensity per rupee of turnover from operations	MT/ Revenue from operations in ₹ Cr	0
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT / Revenue from operations in ₹ Cr adjusted for PPP	0.02
		Waste intensity	MT/ Consolidated Total Loan Portfolio in ₹ Cr	-
		Total waste recovered through recycling, re-using or other recovery operations		
		(i) Recycled	MT	103.58
		(ii) Re-used	MT	-
		Total	MT	-
		Total waste disposed by nature of disposal method		
		(i) Incineration	MT	-
(ii) Landfilling	MT	-		
Total	MT	-		

5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers - cost incurred as a % of total revenue of the company	In % terms	0.11%
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	Number of Permanent Disabilities	Nil
			Total recordable work-related injuries	Nil
			Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Nil
			No. of fatalities	Nil
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	9.1%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	38
			Complaints on POSH as a % of female employees / workers	0.31%
			Complaints on POSH upheld	21
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases -and from within India	Directly sourced from MSMEs/ small producers (In % terms - As % of total purchases by value)	8.43%
			Directly sourced from within India	-
		Job creation in smaller towns - Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Location	
			Rural	1.6%
			Semi-urban	7.7%
			Urban	24.4%
Metropolitan	66.4%			
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	Nil
		Number of days of accounts payable	(Accounts payable *365) / Cost of goods/services procured	46
9	Open-ness of business	Concentration of purchases & sales done with trading houses, dealers, and related parties Loans and advances & investments with related parties	Purchases from trading houses as % of total purchases	NA
			Number of trading houses where purchases are made from	NA
			Purchases from top 10 trading houses as % of total purchases from trading houses	NA
			Sales to dealers / distributors as % of total sales	NA
			Number of dealers / distributors to whom sales are made	NA
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	NA
			Share of RPTs (as respective %age) in	
			Purchases	2.89%
			Sales	0.11%
			Loans & advances	0.02%
Investments	0.23%			

Note:

*Emission factors used and their references, assumptions considered are mentioned in the 'GHG Inventory Report', 2024 prepared by Bajaj Finserv Group, which is applicable to BFS. Calculation of Scope 1 GHG emissions are based on conversion factors, emission factors considered in 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report. Scope 2 GHG emissions for Indian operations are calculated based on the Grid

Electricity EF - Central Electricity Authority, Govt. of India, CO₂ baseline database for Indian Power Sector, version 19, December 2023 EF considered (including RES & Captive power injection into grid) is 0.716 kgCO₂ per kWh. For purchased electricity non grid with HSD as source of energy generation emission factor 0.70 tCO₂/MWh is considered. https://cea.nic.in/wp-content/uploads/baseline/2024/04/User_Guide_Version_19.0.pdf
For fuel rate average consideration, https://ppac.gov.in/uploads/page-images/1711513222_b64a426eac364980b78.pdf accessed on date 27th March 2024, is referred.

**Total water consumption is derived from "National Building Code (NBC) - Bureau of Indian Standards (BIS), 2016 - Estimation of Water Requirement for Drinking and Domestic Use" - "45 litres per person per working day".

Annex II

Sites selected for audits

Sr. no.	Site	Location
1.	Corporate offices of BFS	Pune
2.	Offices/Branches- on-site visits	<p>BFL offices- Finserv House, Pune Goregaon, Mumbai Thane, Mumbai Salt Lake, Kolkata Somajigunda, Hyderabad Residency road, Bangalore Brookfield, Bangalore</p> <p>BHFL offices- Goregaon, Mumbai HO, Pune</p> <p>BAGIC- Mumbai- Prabhadevi, Andheri Pune- Bajaj House HO, Bajaj Finserv Hyderabad office Kolkata- Mani Square Bangalore - Rajajinagar</p> <p>BALIC- Mumbai- Sion, Andheri Pune- Pune (BFS) Hyderabad office Kolkata- Kolkata 1 Bangalore - Bangalore-1, Rajajinagar</p>
3.	Offices/Branches- (with in-person meeting with data owners during on-site visits to the offices mentioned in Sr. No. 2)	<p>BFL offices- Mumbai- 50000472, Chembur- FD, Andheri- 50000468, Dadar, Thane- Thane FD, Thane off roll, New Bhiwandi Pune- PTP, Mantri, Weikfield A & B, Wakdewadi additional- Pune Nashik Bangalore- 50000085, Whitefield, NR trident, KR Puram, New Sahakarnagar, Rajajinagar, Prestige Building Hyderabad- Somajiguda, Banjarahills, Begumpet, Kothapet Kolkata- Rash Behari, Habra, Dankuni</p> <p>BHFL offices- Mumbai -Andheri, Thane, Mira road, Andheri 3rd</p> <p>BFSL- Pune, HO</p> <p>BAGIC- Mumbai- Borivali, Fort, Panvel, Vashi, Banca Sion, Sion, Ghatkopar, Thane, Kalyan Pune- Marvel Edge, PCMC, Pune RO Sangli, Satara, Solapur, Kolhapur, Jalgaon, Nashik, Aurangabad, Ahmednagar, Vardhaman Hyderabad- Warangal, Karimnagar, Mahabubnagar Kolkata- Rajarhat, New Market, Siliguri Bangalore - Hebbal, Hubli, Mangalore</p> <p>BALIC- Mumbai- Fort, Borivali, Thane, Vashi, Prabhadevi, Pune- Pune-1, Baner (Aundh), Pune (P00), Pune-BFS, Kolhapur, Nashik Hyderabad- Warangal, Karimnagar, Mahabubnagar Kolkata- Howrah 1, Burdwan, Kolkata (K91). Kolkata (UUK) Bangalore - Bangalore-2, Marathalli, Residency Road Marathalli, Residency Road Mysore (Karnataka), Mangalore (Karnataka), Hubli</p>

4.	Remote Audits	<p>BFL offices- Chennai- Raheja Towers, Spencer Plaza, Egmore Delhi-East office, South office, Janakpuri (5B/3), New Delhi office</p> <p>BHFL offices- Thane- Thane Additional, Kalyan, Virar, Virar additional Nagpur Nashik Aurangabad Pune- Baner, Chinchwad, NIBM, NIBM additional, Sinhgad road, Wagholi, Wakdewadi, Wakdewadi additional</p> <p>BAGIC- Chennai- Arumbakkam 5th Floor and 6th Floor, Madurai, Pondicherry, Coimbtore Delhi- Motinagar, CP, Nehru Palace</p> <p>BALIC- Rajasthan- Jaipur, Jodhpur, Chittorgarh Delhi- Delhi 1, Pitampura, Moti Nagar, Jasola, Lajpat Naga</p>
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Independent Verification Statement

Introduction

DNV Business Assurance India Private Limited ('DNV') has been commissioned by the management of Bajaj Finserv Limited (Corporate Identity Number L65923PN2007PLC130075) to carry out a verification of its Greenhouse Gas ('GHG') emissions data of Bajaj Finserv Limited (hereafter mentioned as 'BFS' and 'the Company') and its 9 subsidiaries & 2 Joint Ventures (collectively mentioned as 'BFS Group') for the period 1st April 2023 to 31st March 2024 (FY 2023-24). BFS has prepared its GHG data in bespoke spreadsheets based on the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard with the emission factors sourced from the Intergovernmental Panel on Climate Change's (IPCC) Sixth Assessment Report, The UK Department for Environment, Food and Rural Affairs (Defra) Central Electricity Authority, Govt. of India and India GHG Program, 2014.

DNV has carried out this customized verification engagement in accordance with DNV's VeriSustain™ protocol (v6.0). Apart from DNV's VeriSustain™ protocol (v6.0), DNV team has also followed ISO 14064-3 - *Specification with guidance for the verification of GHG emissions*. The verification was carried out during the period February 2024 - June 2024 by a team of qualified sustainability and GHG assessors.

Intended User

The intended user of this verification statement is the Management of Bajaj Finserv Limited ('the Management').

Level of Verification

- Reasonable Level of verification for Scope 1 & 2 GHG emissions and
- Limited Level of verification for the Scope 3 GHG emissions (Categories 1, 6 and 9)

Responsibilities of the Company and DNV

The Management of the Company is responsible for the collection, analysis, aggregation, calculations and presentation of data and information related to its GHG assertions and also responsible for ensuring the maintenance and integrity of its website and any referenced disclosures on their website.

In performing this verification assessment, DNV's responsibility is to the Management of the Company; however, this statement represents our independent opinion. We disclaim any liability or co-responsibility for any decision a person or entity would make based on this verification statement.

Scope, Boundary and Limitations of Verification

Scope

The scope of work agreed includes the following:

- Verification of GHG Scope 1 and Scope 2 emissions data from various activities for FY 2023-24 for reasonable level of verification
 - Scope 1 emissions due to combustion of fossil fuels and other emissions, such as
 - Combustion of high-speed diesel (HSD) for diesel generators
 - Fuel consumed by company-owned vehicles.
 - HFC releases from air conditioners
 - CO₂ released due to use of CO₂-based fire extinguishers
 - Scope 2 emissions due to purchased electricity from national grids in India and purchase of electricity from other sources
- Verification of GHG Scope 3 emissions data from various activities for FY 2023-24 for limited level of verification
- Other Indirect GHG emissions (Scope 3 emissions) arising from value chain covering three categories as per the Greenhouse Gas Protocol's Corporate Value Chain (Scope 3) Accounting. Categories reported are-
 - C1: Purchased Goods and Services- procurement of office supplies
 - C6: Business Travel- air, road & train travel, hotel stay and guest house stay
 - C9: Downstream transportation and distribution- relocation, freighting courier

Boundary

Boundary covers the performance of BFS and its 9 subsidiaries & 2 Joint Ventures mentioned below; have operations in India that fall under the direct operational control of the Company's Legal structure.

1. Bajaj Allianz Life Insurance Company Limited (BAGIC)
2. Bajaj Allianz General Insurance Company Limited (BALIC)
3. Bajaj Finance Limited (BFL)
4. Bajaj Finserv Direct Limited (BFDL)
5. Bajaj Housing Finance Limited (BHFL)
6. Bajaj Financial Securities Limited (BFSL)
7. Bajaj Finserv Ventures Limited (BFVL)
8. Bajaj Finserv Asset Management Limited (AMC)
9. Bajaj Finserv Health Limited (BFHL/EBH)
10. Bajaj Allianz Financial Distributor Limited (BAFDL) JV
11. Bajaj Allianz Staffing Solutions Limited (BASSL) JV

Based on the agreed scope with the Company, the boundary of verification covers the operations of BFS Group across all locations in India.

Limitation(s):

- The verification engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for estimation/measurement errors and omissions.
- DNV has not been involved in evaluation or assessment of any financial data/performance of the company and its subsidiaries.
- The assessment is limited to data and information within the defined Reporting Period. Any data outside this period is not considered within the scope of verification.
- Data outside the operations specified in the verification boundary is excluded from the verification, unless explicitly mentioned otherwise in this statement.
- The verification engagement is based on the assumption that the data and information provided by the Company are complete, sufficient and authentic.
- No external stakeholders were interviewed as part of this verification engagement.

Verification Methodology:

We planned and performed our verification work to obtain the evidence we considered necessary to provide reasonable & limited level of verification. In case of limited level of verification, we adopted a risk-based approach towards selection of samples for assessing the robustness of the underlying data management system, information flow and controls.

We carried out the following activities:

- Desk review of the Scope 1, Scope 2 and Scope 3 emissions activity and associated data for the period - 1st April 2023 - 31st March 2024 captured in bespoke spreadsheets.
- Review of the standard operating procedures ('SOPs') for GHG Management System as well as the Company's GHG data management processes used to generate, aggregate, and report the GHG data, as well as assessment of the completeness, accuracy and reliability of the data.
- Reviews of GHG data aggregation system in place including formats, assumptions, as well as associated emission factors and calculation methodologies.
- Sampling of activity data for verification in line with the requirements for verification.
- Onsite visits to corporate office and selected branches/sites in India as listed out in Annexure II for verifying the identified activities and emission sources and related evidence at the site level on a sample basis.
- Interaction with key managers and data owners to review data systems related to the GHG inventory including reviews of emission factors and assumptions used in calculation methodology.

Conclusion

Reasonable level of verification- Scope 1 & 2 GHG emissions

On the basis of our verification methodology and scope of work agreed upon, DNV is of the opinion that, in all material aspects, the reported Scope 1 & 2 GHG emissions as brought out below and in Annexure I are materially correct and fair representation of Scope 1 & 2 GHG emissions of BFS Group for the reporting period.

Limited Level of verification- Scope 3 GHG emissions

On the basis of our verification methodology and scope of work agreed upon, nothing has come to our attention to suggest that the GHG emissions as brought out below and in Annexure I are not materially correct and is not a fair representation of the Scope 3 GHG emissions of BFS Group for the reporting period.

In both cases, some data inaccuracies identified during the verification process were found to be attributable to transcription, interpretation and aggregation errors and the errors have been corrected.

GHG Emissions for BFS Group

Scope details	Total GHG Emissions (tCO2e) for FY 2023-24
Scope 1 Direct GHG emissions (Scope 1 emissions) covering combustion of high-speed diesel (HSD) for diesel generators, fuel consumed by company-owned vehicles, HFC releases from air conditioner, CO ₂ released due to use of CO ₂ -based fire extinguishers	6057
Scope 2 Indirect GHG emissions (Scope 2 emissions) covering consumption of purchased electricity for its facilities and units (from national grid in India and other sources)	42,089
Scope 3 other Indirect GHG emissions (Scope 3 emissions) covering <ul style="list-style-type: none"> • C1: Purchased Goods and Services- procurement of office supplies • C6: Business Travel- air, road & train travel, hotel stay and guest house stay • C9: Downstream transportation and distribution- relocation, freighting courier 	28,753
Total Scope 1, Scope 2 & Scope 3 Emissions	76,899

Note:

1. Emission factors used and their references, assumptions considered are mentioned in the 'GHG Inventory Report', 2024 prepared by Bajaj Finserv Group, which is applicable to BFS Group.
2. Calculation of Scope 1 GHG emissions are based on conversion factors, emission factors considered in 2006 IPCC Guidelines for National Greenhouse Gas Inventories, IPCC sixth assessment report and GHG protocol cross sector emission factors.
3. Scope 2 GHG emissions for Indian operations are calculated based on the Grid Electricity EF - Central Electricity Authority, Govt. of India, CO₂ baseline database for Indian Power Sector, version 19, December 2023 EF considered (including RES & Captive power injection into grid) is 0.716 kgCO₂ per kWh. For purchased electricity non grid with HSD as source of electricity generation, emission factor 0.70 tCO₂/MWh is considered. https://cea.nic.in/wp-content/uploads/baseline/2024/04/User_Guide_Version_19.0.pdf
4. For fuel rate average consideration, https://ppac.gov.in/uploads/page-images/1711513222_b64a426eaac364980b78.pdf accessed on date 27th March 2024, is referred.
5. Calculation of Scope 3 GHG emissions are based on emission factors considered in India GHG Program <https://indiaghgp.org/transport-emission-factors> - for train and road transport, for hotel stay & guest houses- <https://ecommons.cornell.edu/server/api/core/bitstreams/220e2386-fac7-4985-8825-a901176b161f/content>

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, which are based on the principles enclosed within ISO IEC 17029:2019 - Conformity assessment - General principles are requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the DNV Code of Conduct¹ during the verification engagement and maintain independence wherever required by relevant ethical requirements. During the reporting period i.e. FY 2023-24, DNV, to the best of its knowledge, was not involved in any non-audit/non-assurance work with the Company and its Group entities which could lead to any Conflict of Interest. DNV was not involved in the preparation of any statements or data except for this Verification Statement for internal use of Bajaj Finserv Limited. DNV maintains complete impartiality toward stakeholders interviewed during the verification process. To the best of our knowledge, we did not provide any services to Bajaj Finserv Limited in the scope of verification for the reporting period that could compromise the independence or impartiality of our work.

¹ DNV Corporate Governance & Code of Conduct - <https://www.dnv.com/about/in-brief/corporate-governance.html>

Purpose and Restriction on Distribution and Use

This verification statement, including our conclusion has been prepared solely for the exclusive use and benefit of the management of the Company and solely for the purpose for which it is provided. To the fullest extent permitted by law, DNV does not assume responsibility to anyone other than the Company for DNV's work or this verification statement. The usage of this verification statement shall be governed by the terms and conditions of the contract between DNV and BFS and DNV does not accept any liability if this statement is used for an alternative purpose from which it is intended, nor to any third party in respect of this verification statement. No part of this verification statement shall be reproduced, distributed or communicated to a third party without prior written consent.

For DNV Business Assurance India Private Limited

Ankita Parab Lead Verifier, Sustainability Services, DNV Business Assurance India Private Limited, India.	Kakaraparthi Venkata Raman Verification Reviewer, Sustainability Services, DNV Business Assurance India Private Limited, India.
Assurance Team : Anjana Sharma , Chandan Sarkar , Anamika Kumari , Himanshu Babbar 20/06/2024, Mumbai, India.	

DNV Business Assurance India Private Limited is part of DNV - Business Assurance, a global provider of certification, verification, assessment and training services, helping customers to build sustainable business performance. www.dnv.com

Annexure I

GHG Emissions for BFS Group

Total GHG Emissions (tCO ₂ e) for FY 2023-24	Scope details		
	Scope 1 Direct GHG emissions*	Scope 2 Indirect GHG emissions**	Scope 3 other Indirect GHG emissions ***
BFS	38.75	1661.58	101.73
BHFL	377.32	2128.20	949.89
BFSL	19.80	779.84	104.26
BAGIC	179.58	4616.89	3078.59
BALIC	920.59	6217.24	7217.65
BFL_CF	4387.48	25038.90	12666.80
BFL_AF	0	960.92	1571.28
EBH	98.60	494.44	98.19
AMC	35.38	57.78	2878.60
BFDL	0.01	133.26	0.37
BFVL	0	0	85.87
BFS Group	Total Scope 1, Scope 2 & Scope 3 Emissions		
	6057	42089	28753

*Scope 1 Direct GHG emissions (Scope 1 emissions) covering combustion of high-speed diesel (HSD) for diesel generators, fuel consumed by company-owned vehicles, HFC releases from air conditioner, CO₂ released due to use of CO₂-based fire extinguishers

** Scope 2 Indirect GHG emissions (Scope 2 emissions) covering consumption of purchased electricity for its facilities and units (from national grid in India and other sources)

*** Scope 3 other Indirect GHG emissions (Scope 3 emissions) covering

- C1: Purchased Goods and Services- procurement of office supplies
- C6: Business Travel- air, road & train travel, hotel stay and guest house stay
- C9: Downstream transportation and distribution- relocation, freighting courier

Annexure II

Sites selected for audits

Sr. no.	Site	Location
1.	Corporate offices of BFS	Pune
2.	Offices/Branches- on-site visits	<p>BFL offices- Finserv House, Pune Goregaon, Mumbai Thane, Mumbai Salt Lake, Kolkata Somajigunda, Hyderabad Residency road, Bangalore Brookfield, Bangalore</p> <p>BHFL offices- Goregaon, Mumbai HO, Pune</p> <p>BAGIC- Mumbai- Prabhadevi, Andheri Pune- Bajaj House HO, Bajaj Finserv Hyderabad office Kolkata- Mani Square Bangalore - Rajajinagar</p> <p>BALIC- Mumbai- Sion, Andheri Pune- Pune (BFS) Hyderabad office Kolkata- Kolkata 1 Bangalore - Bangalore-1, Rajajinagar</p>
3.	Offices/Branches- (with in-person meeting with data owners during on-site visits to the offices mentioned in Sr. No. 2)	<p>BFL offices- Mumbai- 50000472, Chembur- FD, Andheri- 50000468, Dadar, Thane- Thane FD, Thane off roll, New Bhiwandi Pune- PTP, Mantri, Weikfield A & B, Wakdewadi additional- Pune Nashik Bangalore- 50000085, Whitefield, NR trident, KR Puram, New Sahakarnagar, Rajajinagar, Prestige Building Hyderabad- Somajiguda, Banjarahills, Begumpet, Kothapet Kolkata- Rash Behari, Habra, Dankuni</p> <p>BHFL offices- Mumbai -Andheri, Thane, Mira road, Andheri 3rd</p> <p>BFSL- Pune, HO</p> <p>BAGIC- Mumbai- Borivali, Fort, Panvel, Vashi, Banca Sion, Sion, Ghatkopar, Thane, Kalyan Pune- Marvel Edge, PCMC, Pune RO, Pune (BFS), Sangli, Satara, Solapur, Kolhapur, Jalgaon, Nashik, Aurangabad, Ahmednagar, Vardhaman Hyderabad- Warangal, Karimnagar, Mahabubnagar Kolkata- Rajarhat, New Market, Siliguri Bangalore - Hebbal, Hubli, Mangalore</p> <p>BALIC- Mumbai- Fort, Borivali, Thane, Vashi, Prabhadevi, Pune- Pune-1, Baner (Aundh), Pune (P00), Pune-BFS, Kolhapur, Nashik Hyderabad- Warangal, Karimnagar, Mahabubnagar Kolkata-</p>

		Howrah 1, Burdwan, Kolkata (K91). Kolkata (UUK) Bangalore - Bangalore-2, Marathalli, Residency Road Marathalli, Residency Road Mysore (Karnataka), Mangalore (Karnataka), Hubli
4.	Remote Audits	<p>BFL offices- Chennai- Raheja Towers, Spencer Plaza, Egmore Delhi-East office, South office, Janakpuri (5B/3), New Delhi office</p> <p>BHFL offices- Thane- Thane Additional, Kalyan, Virar, Virar additional Nagpur Nashik Aurangabad Pune- Baner, Chinchwad, NIBM, NIBM additional, Sinhgad road, Wagholi, Wakdewadi, Wakdewadi additional</p> <p>BAGIC- Chennai- Arumbakkam 5th Floor and 6th Floor, Madurai, Pondicherry, Coimbtore Delhi- Motinagar, CP, Nehru Palace</p> <p>BALIC- Rajasthan- Jaipur, Jodhpur, Chittorgarh Delhi- Delhi 1, Pitampura, Moti Nagar, Jasola, Lajpat Naga</p>

Annexures

Codes and Policies:

The following are the Codes and Policies which is accessible through our company website with Link: <https://www.aboutbajajfinserv.com/investor-relations-policies-and-codes>.

Sr. No	NGRBC - Principle wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Responsible and Sustainable Business Conduct Policy	✓	✓	✓	✓	✓	✓	✓	✓	✓
2	Prevention of Sexual harassment at workplace (Prevention, Prohibition & Redressal)	✓		✓		✓				
3	Disciplinary action and grievance redressal	✓		✓		✓				
4	Fair practices code	✓			✓					✓
5	Vigil mechanism / Whistle Blower Policy	✓		✓		✓				
6	Corporate Social Responsibility (CSR) Policy	✓			✓				✓	
7	Policy on Materiality of and dealing with Related Party Transactions	✓								
8	Code of Ethics and Personal Conduct	✓		✓						
9	Employee Charter – Human Rights	✓		✓	✓					✓
10	Remuneration Policy	✓		✓		✓				
11	Code of Conduct for Directors and Senior Management	✓								
12	Board Evaluation Criteria	✓								
13	CII Code of Conduct	✓		✓						

Material Companies:

Other than the policies placed on the Company's website certain policies of the Company are internal documents and are not accessible to the public. The NGRBC policy and practices are followed by all the material subsidiaries wherever applicable to the company through their policies and accompanying processes. Publicly accessible policies of material subsidiaries are available on their respective websites:

1. BFL: <https://www.aboutbajajfinserv.com/finance-investor-relations-policies-and-codes>
2. BHFL: <https://www.bajajhousingfinance.in/policies-and-documents>
3. BAGIC: <https://www.bajajallianz.com/about-us/corporate-policy.html>
4. BALIC: <https://www.bajajallianzlife.com/about-us.html>

Annexure 2: Mapping United Nations Sustainable Development Goals (UNSDG)

We have mapped our initiatives under the BSRR principles to the United Nations Sustainable Development Goals

Principle 1 :

Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.



Principle 2 :

Businesses should provide goods and services in a manner that is sustainable and safe.



Principle 3 :

Businesses should respect and promote the well-being of all employees, including those in their value chains.



Principle 4 :

Businesses should respect the interests of and be responsive to all its stakeholders.



Principle 5 :

Businesses should respect and promote human rights.



Principle 6 :

Businesses should respect and make efforts to protect and restore the environment.



Principle 7 :

Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.



Principle 8 :

Businesses should promote inclusive growth and equitable development.



Principle 9 :

Businesses should engage with and provide value to their consumers in a responsible manner.



**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 Ind AS 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 2024 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 policies 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 2024, 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.)

Sr. No.	Key audit matter	Auditors' response
1	<p>Allowances for expected credit losses ('ECL'):</p> <p>The joint auditors of Bajaj Finance Ltd., a subsidiary of the Holding Company, have reported that 'As of 31 March 2024, the carrying value of loan assets carried at amortised cost and fair value through other comprehensive income ('FVTOCI'), aggregated ₹ 326,293.32 crore (net of allowance for expected credit loss ₹5,041.03 crore) constituting approximately 87% of the Bajaj Finance Ltd.'s consolidated total assets. Significant judgment is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets is a critical estimate involving greater level of management judgment.</p> <p>As part of the joint auditors risk assessment, they have determined that ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the consolidated financial statements of Bajaj Finance Ltd. The elements of estimating ECL which involved increased level of audit focus are the following:</p> <ul style="list-style-type: none"> • Qualitative and quantitative factors used in staging the loan assets measured at amortised cost and fair value through other comprehensive income ('FVTOCI'). • Basis used for estimating Probabilities of Default ('PD'), Loss Given Default ('LGD') and Exposure at Default ('EAD') at product level with past trends. • Judgments used in projecting economic scenarios and probability weights applied to reflect future economic conditions; and • Adjustments to model driven ECL results to address emerging trends. <p>(Refer note 2D(5), 46(4) and 46(5) to the consolidated financial statements)</p>	<p>Auditors of Bajaj Finance Ltd. and its subsidiaries (hereinafter referred to as 'subsidiaries' for the purpose of this section) have examined the policies approved by the Boards of Directors of the respective subsidiaries that articulate the objectives of managing each portfolio and their business models. They have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Boards of Directors, procedures, and controls for assessing and measuring credit risk on all lending exposures measured at amortised cost and FVTOCI. Additionally, auditors of the subsidiaries 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 adjustment have been approved by the audit committee of the Board of Directors of the respective subsidiaries. The audit procedures performed by the auditors of the respective subsidiaries 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"> • 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; • 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; • Accuracy of the computation of the ECL estimate including methodology used to determine macro-economic overlays and adjustments to the output of the ECL Model; and • Validity of changes made to the Structured Query Language ('SQL') queries used for the ECL calculations including approval thereof by the designated officials. <p>Test of details on a sample basis in respect of the following:</p> <ul style="list-style-type: none"> • Accuracy and completeness of the input data such as period of default and other related information used in estimating the PD. • The mathematical accuracy of the ECL computation by using the same input data as used by the respective subsidiaries. • Use of the appropriate SQL queries for calibration of ECL rates and its application to the corresponding loan asset portfolio of the respective subsidiaries. • Completeness and accuracy of the staging of the loans and the underlying data based on which the ECL estimates have been computed. • 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 respective subsidiaries

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Sr. No.	Key audit matter	Auditors' response
2	<p>Information technology system for the financial reporting and consolidation process:</p> <p>The joint auditors of Bajaj Finance Ltd., a subsidiary of the Holding Company, have reported that:</p> <p>Bajaj Finance Ltd. and its subsidiaries are dependent on its Information Technology ('IT') systems due to the significant number of transactions that are processed daily across such multiple and discrete IT systems. Also, IT application controls are critical to ensure that changes to applications and underlying data are made in an appropriate manner and under controlled environments. Appropriate controls contribute to mitigating the risk of potential fraud or errors as a result of changes to applications and data.</p> <p>On account of the pervasive use of its IT systems, the testing of the general computer controls of the IT systems used in financial reporting was considered to be a key audit matter.</p>	<p>With the assistance of its IT specialists, the auditors of Bajaj Finance Ltd. and its subsidiaries obtained an understanding of the IT applications, databases, and operating systems relevant to financial reporting and the control environment. For these elements of the IT infrastructure the areas of their focus included access security (including controls over privileged access), program change controls, database management and network operations. In particular:</p> <ul style="list-style-type: none"> • Tested the design, implementation, and operating effectiveness of the respective subsidiaries general IT controls over the IT systems relevant to financial reporting. This included evaluation of respective subsidiaries controls over segregation of duties and access rights being provisioned/modified based on duly approved requests, access for exit cases being revoked in a timely manner and access of all users being recertified during the period of audit. • The auditors of the respective subsidiaries have tested key automated and manual business cycle controls and logic for the reports generated through the IT infrastructure that were relevant for financial reporting or were used in the exercise of internal financial controls with reference to Bajaj Finance Ltd. consolidated financial statements. Their tests included testing of the compensating controls or alternate procedures to assess whether there were any unaddressed IT risks that would materially impact the consolidated financial statements of Bajaj Finance Ltd.

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, standalone financial statements and our auditors' report thereon. The Other Information is expected to be made available to us after the date of the 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.

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.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

Responsibilities of management and those charged with governance for the consolidated financial statements

8. 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; the selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations including those related to retention of audit logs 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.
9. 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.
10. 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

11. 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. 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.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 12.1 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.
 - 12.2 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.
 - 12.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

- 12.4 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.
- 12.5 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.
- 12.6 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.
13. 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.
14. 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.
15. 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.

Other matters

16. The auditors of Bajaj Allianz Life Insurance Company Ltd. ('BALIC'), a subsidiary, have reported that determination of the following as at 31 March 2024 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, for the purpose of Reporting pack 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.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

The auditors of BALIC have relied upon 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 matter.

17. 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 2024 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 conclusion.

Our opinion on the consolidated financial statements is not modified in respect of the above matter.

18. The consolidated financial statements include the audited financial statements of five subsidiaries, whose financial statements reflect Group's share of total assets of ₹ 492,231.72 crore (before consolidation adjustments) as at 31 March 2024, Group's share of total revenue of ₹ 82,655.82 crore (before consolidation adjustments), Group's share of total net profit after tax of ₹ 15,068.96 crore (before consolidation adjustments), total comprehensive income of ₹ 16,333.96 crore (before consolidation adjustments) and net cash inflow of ₹ 2,705.81 crore (before consolidation adjustments) for the year ended 31 March 2024 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.
19. The consolidated financial statements includes the Group's share of net profit after tax of ₹ 0.45 crore (before consolidation adjustments) and total comprehensive income of ₹ 0.42 crore (before consolidation adjustments) for the year ended 31 March 2024, 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.
20. The consolidated financial statements also includes the Group's share of net profit after tax of ₹ 7.64 crore for the and total comprehensive income of ₹ 7.54 crore for the year ended 31 March 2024, 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.
21. 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

22. 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:
 - 22.1 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.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

- 22.2 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.
- 22.3 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.
- 22.4 In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
- 22.5 On the basis of the written representations received from the directors of the Holding Company as on 31 March 2024, 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 2024 from being appointed as a director in terms of section 164(2) of the Act.
- 22.6 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'.
- 22.7 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 is not in excess of the limit laid down under section 197 of the Act.
23. 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, 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:
- 23.1 The consolidated financial statements disclose the impact of pending litigations as at 31 March 2024 on the consolidated financial position of the Group, its associates and joint venture – Refer Note 42A to the consolidated financial statements.
- 23.2 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 2D(5), 46(10) and 46(11) to the consolidated financial statements in respect of such items as it relates to the Group, its associates and joint venture.
- 23.3 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 2024.
- 23.4 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, other than as disclosed in the notes to the consolidated financial statements, 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 Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the 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.

Independent Auditors' Report on the Consolidated Financial Statements (Contd.)

- 23.5 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, other than as disclosed in the notes to the consolidated financial statements, 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 Party ('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.
- 23.6 Based on such audit procedures, that has 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 para 23.4 and 23.5 contain any material misstatement.
- 23.7 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.
- 23.8 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 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.
- As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.
24. 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: 24044000BKGTYV3273

Pune: 26 April 2024

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 2024

(Referred to in paragraph '22.6' 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 2024, 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 2024, 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 auditors' 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 consolidated 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 consolidated 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 Holding Company's assets that could have a material effect on the consolidated 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 2024 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, for the purpose of Reporting pack 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 matter.

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 2024 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 conclusion.

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 subsidiary companies, associate companies and 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: 24044000BKGYV3273

Pune: 26 April 2024

Consolidated Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2024	2023
ASSETS			
Financial assets			
Cash and cash equivalents	3	5,765.02	2,593.62
Bank balances other than cash and cash equivalents	4	6,621.64	2,783.60
Derivative financial instruments	5	591.17	226.50
Trade receivables	6	5,973.86	3,458.64
Loans	7	326,742.16	242,749.57
Investment in joint venture and associates	8	382.76	107.32
Shareholders' investments	9A	49,615.62	40,583.46
Policyholders' investments	9B	118,386.22	95,484.95
Other financial assets	10	15,268.66	10,609.25
		529,347.11	398,596.91
Non-financial assets			
Current tax assets (net)		435.84	318.31
Deferred tax assets (net)	11A	1,028.17	1,023.56
Investment properties	12	30.13	34.85
Property, plant and equipment	13A	2,528.82	2,141.92
Right-of-use assets	13B	1,216.30	733.45
Capital work-in-progress		82.12	61.84
Intangible assets under development		137.96	129.43
Goodwill on consolidation		689.34	689.34
Other intangible assets	14	990.75	736.45
Other non-financial assets	15	1,443.09	1,043.13
		8,582.52	6,912.28
Total		537,929.63	405,509.19

Consolidated Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2024	2023
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Payables			
Trade payables	16		
Total outstanding dues of micro enterprises and small enterprises		35.09	34.59
Total outstanding dues of creditors other than micro enterprises and small enterprises		6,242.33	5,170.69
Other payables	17		
Total outstanding dues of micro enterprises and small enterprises		-	0.65
Total outstanding dues of creditors other than micro enterprises and small enterprises		1,864.69	1,124.87
Derivative financial instruments	5	6.12	119.86
Debt securities	18	112,252.54	81,596.03
Borrowings (other than debt securities)	19	111,617.47	81,549.40
Deposits	20	60,150.92	44,665.56
Subordinated liabilities	21	3,577.90	3,630.29
Insurance contracts liabilities		118,280.07	94,101.67
Investment contracts liabilities		11,377.39	9,797.32
Lease liabilities	22	1,333.79	823.69
Other financial liabilities	23	1,830.50	1,161.07
		428,568.81	323,775.69
Non-financial liabilities			
Current tax liabilities (net)		427.47	386.59
Deferred tax liabilities (net)	11B	514.49	108.04
Provisions	24	533.04	341.79
Other non-financial liabilities	25	4,109.97	3,299.00
		5,584.97	4,135.42
EQUITY			
Equity share capital	26	159.41	159.26
Other equity	27	60,169.23	46,248.08
Non-controlling interest		43,447.21	31,190.74
		103,775.85	77,598.08
Total		537,929.63	405,509.19

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

S Sreenivasan
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

Pune: 26 April 2024

Consolidated Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2024	2023
Revenue from operations			
Interest income	28	53,793.19	40,155.24
Dividend income		157.98	131.62
Rental income		4.43	4.05
Fees and commission income	29	5,435.85	4,312.45
Net gain/(loss) on fair value changes	30	2,835.81	(155.51)
Sale of services	31	655.12	325.87
Premium and other operating income from insurance business		46,322.65	36,158.12
Others	32	1,176.88	1,139.40
Total revenue from operations		110,381.91	82,071.24
Other income	33	1.09	0.77
Total income		110,383.00	82,072.01
Expenses			
Employee benefits expenses	34	10,360.95	8,767.15
Finance costs	35	18,399.51	12,201.42
Fees and commission expense	36	6,970.60	4,238.17
Impairment on financial instruments	37	4,633.58	3,230.98
Claims incurred pertaining to insurance business		21,830.26	16,592.00
Reinsurance ceded		9,563.14	7,027.26
Net change in insurance/investment contract liabilities		10,255.49	6,628.01
Depreciation, amortisation and impairment	38	900.13	677.80
Other expenses	39	6,102.40	5,899.28
Total expenses		89,016.06	65,262.07
Share of profit/(loss) of joint venture/associates		8.09	1.19
Profit before tax		21,375.03	16,811.13
Tax expense			
Current tax		5,802.83	4,695.10
Deferred tax		(23.16)	(93.51)
Total tax expense	40	5,779.67	4,601.59
Profit after tax		15,595.36	12,209.54
Profit attributable to non-controlling interests		7,447.57	5,792.26
Profit for the year		8,147.79	6,417.28

Consolidated Statement of Profit and Loss (Contd.)

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2024	2023
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) of defined benefit plans		(76.05)	(36.33)
Tax impacts on above		18.04	8.59
Changes in fair value of equity instruments carried at FVTOCI		954.49	14.13
Tax impacts on above		(201.06)	(2.61)
Items that will be reclassified to profit or loss			
Changes in fair value of debt securities carried at FVTOCI		958.34	(881.72)
Tax impacts on above		(189.71)	188.37
Derivative instruments in cash flow hedge relationship		686.24	102.84
Tax impacts on above		(97.70)	(17.33)
Other comprehensive income for the year (net of tax)		2,052.59	(624.06)
Total comprehensive income for the year		17,647.95	11,585.48
Profit attributable to			
Owners of the Company		8,147.79	6,417.28
Non-controlling interests		7,447.57	5,792.26
Total comprehensive income attributable to			
Owners of the Company		9,651.51	5,962.23
Non-controlling interests		7,996.44	5,623.25
Basic Earnings per share (in ₹)	41	51.2	40.3
Diluted Earnings per share (in ₹)	41	50.7	40.0
(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

S Sreenivasan
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

Pune: 26 April 2024

Consolidated Statement of Changes in Equity

A Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2024	2023
At the beginning of the year		159.26	79.57
Changes in equity share capital during the year		0.15	79.69
At the end of the year	26	159.41	159.26

Consolidated Statement of Changes in Equity (Contd.)

B. Other equity

(₹ In Crore)

Particulars	Note No.	Reserves and surplus					Other comprehensive income			Total non-controlling interest	Total		
		Securities premium	General reserve	Reserve fund in terms of section 45-4C(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
Balance as at 31 March 2022	27	9,611.92	2,076.55	2,907.24	121.74	75.41	377.13	(119.97)	24,949.79	171.73	40,167.23	26,073.12	66,240.35
Profit for the year		-	-	-	-	-	-	-	6,417.28	-	6,417.28	5,792.26	12,209.54
Other comprehensive income (net of tax)		-	-	-	-	-	-	-	(16.11)	(441.75)	(455.04)	(169.02)	(624.06)
Total comprehensive income for the year ended 31 March 2023		-	-	-	-	-	-	-	6,401.17	(441.75)	5,962.24	5,623.24	11,585.48
Issue of equity share capital		37.06	-	-	-	-	-	-	-	-	37.06	31.09	68.15
Issue of bonus shares		(79.64)	-	-	-	-	-	-	-	-	(79.64)	-	(79.64)
Share issue expenses		(2.04)	-	-	-	-	-	-	-	-	(2.04)	(0.06)	(2.10)
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		77.46	-	-	-	-	-	-	-	-	77.46	-	77.46
Transfer to Reserve fund in terms of section 451C(1) of the Reserve Bank of India Act, 1934 and section 29C of the National Housing Bank Act, 1987		-	-	1,081.38	50.16	-	-	-	(1,131.54)	-	-	-	-
Transfer to Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961		-	-	-	-	81.89	-	-	(81.89)	-	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	-	-	-	(63.65)	-	(63.65)	(685.21)	(748.86)
Recognition of share based payments to employees		-	-	-	-	-	191.00	-	-	-	191.00	178.91	369.91
Transfer on exercise of option		(2.67)	-	-	-	-	(80.59)	-	2.67	-	(80.59)	(32.23)	(112.82)
Realisation from treasury shares held by ESOP trust		-	-	-	-	-	-	2.49	-	-	2.49	-	2.49
Exercise of options by employees pursuant to ESOP scheme		43.35	-	-	-	-	-	-	-	-	43.35	-	43.35
Transfer on cancellation of stock options		-	16.87	-	-	-	(16.65)	-	-	-	0.22	0.20	0.42
Adjustment of dividend to ESOP Trust		-	-	-	-	-	-	-	1.86	-	1.86	1.68	3.54
		9,685.44	2,093.42	3,988.62	171.90	157.30	470.89	(117.48)	30,078.41	(270.02)	46,256.99	31,190.74	77,447.73
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		8.91	-	-	-	-	-	-	-	-	8.91	-	8.91
Balance as at 31 March 2023	27	9,676.53	2,093.42	3,988.62	171.90	157.30	470.89	(117.48)	30,078.41	(270.02)	46,248.08	31,190.74	77,438.82

Consolidated Statement of Changes in Equity (Contd.)

B. Other equity (Contd.)

(₹ In Crore)

Particulars	Note No.	Reserves and surplus					Other comprehensive income			Total non-controlling interest	Total		
		Securities premium	General reserve	Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	Infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961	Share based payments reserve	Treasury shares	Retained earnings			Equity instruments through other comprehensive income	Debt and Hedge instruments through other comprehensive income
Profit for the year		-	-	-	-	-	8,147.79	-	-	-	8,147.79	7,447.57	15,595.36
Total comprehensive income for the year ended 31 March 2024		-	-	-	-	-	(32.84)	-	-	1,001.15	1,503.72	548.87	2,052.59
Issue of equity share capital		-	-	-	-	-	-	-	-	1,001.15	9,651.51	7,996.44	17,647.95
Share issue expenses		4,518.87	-	-	-	-	-	-	-	4,518.87	4,280.57	8,799.44	
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		(17.73)	-	-	-	-	-	-	-	-	(17.73)	(16.81)	(34.54)
Transfer to Reserve fund in terms of section 45IC(1) of the Reserve Bank of India Act, 1934 and section 29C of the National Housing Bank Act, 1987		-	-	1,299.00	5,712	-	-	-	-	-	462.77	217.98	680.75
Transfer to infrastructure reserve in terms of section 36 (1) (viii) of the Income-tax Act, 1961		-	-	-	-	120.66	(1,356.12)	-	-	-	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	-	(120.66)	-	-	-	(127.43)	(1,079.38)	(1,206.81)
Recognition of share based payments to employees		-	-	-	-	-	(127.43)	-	-	-	250.94	214.35	465.29
Transfer on exercise of option		(1.86)	-	-	-	-	-	250.94	-	-	(96.03)	(54.71)	(150.74)
Realisation from treasury shares held by ESOP Trust		-	-	-	-	-	-	-	1.86	-	-	-	-
Exercise of options by employees pursuant to ESOP scheme		94.17	-	-	-	-	13.17	-	-	-	13.17	(0.53)	12.64
Transfer on cancellation of stock options		-	-	-	-	-	-	-	-	-	94.17	-	94.17
Adjustment of dividend to ESOP Trust		-	6.35	-	-	-	-	-	-	-	-	0.53	0.53
Adjustment because of change in shareholding in subsidiary		-	-	-	-	-	-	-	(1.23)	-	(1.23)	1.15	(0.08)
		(202.12)	(9.08)	(88.63)	(3.76)	(3.45)	(384.51)	-	-	0.12	(696.88)	696.88	-
Balance as at 31 March 2024	27	14,530.63	2,090.69	5,198.99	225.26	274.51	(104.31)	36,205.27	534.83	731.25	60,300.21	43,447.21	103,747.42
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		8.91	-	-	-	-	-	-	-	-	8.91	-	8.91
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		-	-	-	-	-	-	-	-	-	-	-	-
		139.89	-	-	-	-	-	-	-	-	139.89	-	139.89
Balance as at 31 March 2024		14,399.65	2,090.69	5,198.99	225.26	274.51	613.07	36,205.27	534.83	731.25	60,169.23	43,447.21	103,616.44

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

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey
Partner
ICAI Membership Number: 044000

Pune: 26 April 2024

On behalf of the Board of Directors

S Sreenivasan
Chief Financial Officer

Sanjiv Bajaj
Chairman & Managing Director
DIN: 00014615

Uma Shende
Company Secretary

Dr. Naushad Forbes
Chairman-Audit Committee
DIN: 00630825

Consolidated Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
I. Operating activities		
Profit before tax	21,375.03	16,811.13
Adjustments for		
Interest income	(53,793.19)	(40,155.24)
Dividend income	(157.98)	(131.62)
Rental income	(4.43)	(4.05)
Unwinding of discount on security deposit	(2.60)	(1.51)
Realised gain on sale of investment	(401.81)	(464.97)
Depreciation and amortisation	900.13	677.80
Share of profit/(loss) of joint venture	0.42	0.48
Impairment on financial instruments	4,633.58	3,230.98
Net gain/(loss) on disposal of property, plant and equipment	11.61	12.69
Finance costs	18,399.51	12,201.42
Share based payment to employees	392.52	342.74
Net gain/(loss) on financial instruments at fair value through profit or loss	(2,835.81)	155.51
Interest from loans (other than financing activity)	(55.32)	(48.95)
Remeasurement gain/(loss) on defined benefit plans	(0.12)	(0.37)
Service fees for management of assigned portfolio of loans	(49.97)	(38.18)
Provision for doubtful debts	2.66	1.20
Income on derecognised (assigned) loans	(13.33)	(23.17)
Share of profit/(loss) from associates	(6.23)	(1.67)
Cash inflow from service asset	89.61	106.59
Cash inflow from interest on loans under financing activity	45,855.67	35,034.46
Cash outflow towards finance cost	(17,040.61)	(13,112.46)
Cash from operation before working capital changes	17,299.34	14,592.81
Working capital changes		
(Increase)/decrease in bank balances other than cash and cash equivalents	(3,817.57)	(2,441.80)
(Increase)/decrease in trade receivables	(2,598.21)	(511.22)
(Increase)/decrease in loans	(87,391.06)	(53,634.66)
(Increase)/decrease in other financial assets	(453.17)	(433.55)
(Increase)/decrease in other non-financial assets	(314.18)	(254.33)
(Increase)/decrease re-insurance assets	(3,545.39)	(1,387.71)
(Increase)/decrease in derivative financial instrument	(24.85)	8.75
Increase/(decrease) in trade payables	296.17	707.30
Increase/(decrease) in other payables	1,085.74	999.06
Increase/(decrease) in other financial liabilities	572.63	299.23
Increase/(decrease) in provisions	129.23	82.28
Increase/(decrease) in other non-financial liabilities	949.67	380.07
Increase/(decrease) insurance contract liabilities	15,112.62	6,740.80
Income tax paid (net of refunds)	(5,975.17)	(4,626.57)
Net cash flows from/(used in) operating activities	(68,674.20)	(39,479.54)

Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
II. Investing activities		
Purchase of property, plant and equipment	(961.29)	(779.31)
Sale proceeds of property, plant and equipment	123.41	97.42
Purchase of intangible assets	(474.18)	(441.18)
Purchase of investments measured at amortised cost	(170,041.47)	(81,593.98)
Proceeds from investments measured at amortised cost	159,899.47	74,184.57
Expenses related to investments	(5.42)	(9.04)
Purchase of investments measured at FVTOCI	(24,328.44)	(22,097.72)
Proceeds from sale of investments measured at FVTOCI	15,921.47	11,250.29
Purchase of investments measured at FVTPL	(74,330.89)	(293,972.25)
Proceeds from sale of investments measured at FVTPL	76,643.08	293,438.80
Loan against policies	(39.34)	(57.04)
Rent/interest/dividend received	5,814.82	5,499.12
Interest received on investment measured at FVTPL and FVTOCI	1,158.56	635.37
Fixed deposits placed during the year	(895.18)	(170.01)
Fixed deposits matured during the year	810.00	160.00
Acquisition of equity instruments of associates	(267.46)	(92.74)
(Investment in)/realisation from treasury shares by ESOP trust	13.17	2.49
Net cash flows from/(used in) investing activities	(10,959.69)	(13,945.21)

Consolidated Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
III. Financing activities		
Issue of equity share capital (including securities premium)	9,169.09	226.77
Share issue expenses	(34.54)	(2.10)
Dividends paid	(1,183.40)	(744.81)
Deposits received, net	14,759.95	13,556.86
Short term borrowing availed (net)	22,023.77	7,923.66
Long term borrowing availed	72,666.12	66,834.67
Long term borrowing repaid	(34,375.90)	(36,473.64)
Payment of lease liability	(316.38)	(305.35)
Net cash flow from financing activities	82,708.71	51,016.06
Net change in cash and cash equivalents	3,074.82	(2,408.69)
Cash and cash equivalents at the beginning of the year	5,504.39	7,913.08
Cash and cash equivalents at year end*	8,579.21	5,504.39

*** Cash and cash equivalents at year end**

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Cash and cash equivalents as per note 3	5,765.02	2,593.62
Other short-term liquid investment	2,814.19	2,910.77
Temporary overdraft, units receivable and others	-	-
	8,579.21	5,504.39

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

S Sreenivasan
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

Pune: 26 April 2024

Notes to consolidated financial statements for the year ended 31 March 2024

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 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 Group'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 Group 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 Group must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity investments.

Consolidated financial statements of Bajaj Finserv Ltd. were subject to review and recommendation for adoption by Audit Committee and approval of Board. On 26 April 2024, Board of the 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 2024.

Name of the Company	Country of incorporation	% Shareholding of Bajaj Finserv Ltd.	Consolidated as
Bajaj Allianz General Insurance Company Ltd.	India	74%	Subsidiary
Bajaj Allianz Life Insurance Company Ltd.	India	74%	Subsidiary
Bajaj Finance Ltd.*	India	51.34%	Subsidiary
Bajaj Finserv Direct Ltd.#	India	80.13%	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. includes 100% interest in both, Bajaj Housing Finance Ltd. and Bajaj Financial Securities Ltd. as a subsidiary. It also includes proportionate share of Snapwork Technologies Pvt. Ltd. and Pennant Technologies Pvt. Ltd. as an associate.

** The consolidated financial statements of Bajaj Allianz Financial Distributors Ltd. include 100% interest in Bajaj Allianz Staffing Solutions Ltd.

The remaining 19.87% shareholding is held by Bajaj Finance 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).

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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2A Basis of preparation (Contd.)

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 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 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 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2C Basis of consolidation (Contd.)

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 profit or 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.

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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2C Basis of consolidation (Contd.)

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 determines 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 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 e.g.:

- 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

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 on realisation.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

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. 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 gain/(loss) on fair value change of financial assets measured at FVTPL and realised gain on derecognition of financial asset measured at FVTPL and FVTOCI equity instruments on net basis.

d. 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)**e. 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.

f. 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 Mutual Fund.

g. 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.

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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)

Gains or losses on buying reinsurance are recognised in the statement of profit or 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 de-recognised 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.

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 (DPE) 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)**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.

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.

2D Material accounting policies followed by the Group (Contd.)

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 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.

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 asset 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)

- 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.

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.

2D Material accounting policies followed by the Group (Contd.)

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 de-recognition, 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.

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 de-recognised 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 profit or 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)**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).

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 de-recognition 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)

Restructured loans where repayment terms are renegotiated as compared to the original contracted terms due to significant credit distress of the borrower are classified as credit impaired. 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.

(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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)

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.

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.

De-recognition

The Group de-recognises 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 2024 (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 2024 (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 2024 (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 2024 (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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)

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.

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 de-recognised 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 or loss by setting up a provision for premium deficiency.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)**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 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.

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 or loss.

Insurance receivables are de-recognised 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

2D Material accounting policies followed by the Group (Contd.)

c. Undistributed participating policyholders' surplus (UPPS)

Undistributed participating policyholder's surplus includes the number 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 the Group's Participating Policyholders' Fund. Any allocation of bonus to the participating policyholders may also give rise to a transfer to Shareholders' Profit and Loss Account in the required proportion permitted under the Insurance Act, 1938 and regulations thereunder. All UPPS at the end of the reporting period are held within insurance contract liabilities.

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

No new standards or amendments have been issued which apply for the first time in March 2024.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

3 Cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Balances with banks	4,939.78	2,103.40
Cash on hand	58.86	59.48
Cash equivalents		
Cheques, drafts on hand	190.35	153.13
Deposits with original maturity for less than three months	576.03	277.61
	5,765.02	2,593.62

4 Bank balances other than cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Earmarked balances with bank (against fixed deposit maturities and unclaimed dividend)	35.21	46.54
Deposits with original maturity for more than three months	6,507.09	2,659.44
Escrow account balance	79.34	77.62
	6,621.64	2,783.60

5 Derivative financial instruments

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Fair value assets		
Cross currency interest rate swaps [Notional amount - ₹ 6,015.79 crore (Previous year - ₹ 1,299.50 crore)]	27.84	148.88
Forward rate contracts [Notional amount - ₹ 20,671.13 crore (Previous year - ₹ 6,472.46 crore)]	563.33	77.62
	591.17	226.50
Fair value liabilities		
Cross currency interest rate swaps [Notional amount - ₹ 6,015.79 crore (Previous year - ₹ 1,299.50 crore)]	2.12	4.01
Forward rate contracts [Notional amount - ₹ 969.74 crore (Previous year - ₹ 8,737.05 crore)]	4.00	115.85
	6.12	119.86

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

6 Trade receivables

(Unsecured, considered good)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Interest subsidy receivables	750.01	671.45
Outstanding premiums	2,323.75	1,586.92
Due from entity carrying insurance business	1,198.76	523.11
Fees, commission and others	840.41	459.28
Others	907.66	257.40
	6,020.59	3,498.16
Less: Provision for impairment	46.73	39.52
	5,973.86	3,458.64

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	
31 March 2024						
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
31 March 2023						
Undisputed trade receivables – considered good	890.09	1,914.53	245.21	63.99	295.06	3,408.88
Undisputed trade receivables – credit impaired	14.75	14.22	2.90	1.65	6.00	39.52
Unbilled dues	49.76	-	-	-	-	49.76

7 Loans

(₹ In Crore)

Particulars	As at 31 March	
	2023	2022
Loans under financing activity [See note 46(5)]	326,105.23	242,165.29
Unsecured, considered good		
Loan against policies (at amortised cost)	643.82	590.68
Less: Impairment loss allowance	6.89	6.40
	326,742.16	242,749.57

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

8 Investment in joint venture and associates

Particulars	(₹ In Crore)
	At Cost
As at 31 March 2024	
Equity instruments	
joint venture and associates	382.76
Total	382.76
As at 31 March 2023	
Equity instruments	
joint venture and associate	107.32
Total	107.32

9A Shareholders' investments

Particulars	(₹ In Crore)				Total
	At amortised cost	At fair value			
		through other comprehensive income	through profit and loss	designated at fair value through profit and loss	
As at 31 March 2024					
Government and trust securities*	356.89	33,457.06	2,270.60	-	36,084.55
Debt securities	1,231.43	2,082.67	-	-	3,314.10
Mutual funds	-	-	2,689.47	-	2,689.47
Equity instruments	-	2,294.77	1,582.09	-	3,876.86
Certificate of deposit	1,279.41	1,453.24	-	-	2,732.65
TREPs (Tri-party Repo)	672.19	-	-	-	672.19
Commercial paper	-	247.26	-	-	247.26
Total – gross	3,539.92	39,535.00	6,542.16	-	49,617.08
Less: Impairment loss allowance	1.44	0.02	-	-	1.46
Total – Net	3,538.48	39,534.98	6,542.16	-	49,615.62
As at 31 March 2023					
Government and trust securities*	128.59	24,888.19	1,422.42	-	26,439.20
Debt securities	599.37	2,459.08	-	-	3,058.45
Mutual funds	-	-	5,153.61	-	5,153.61
Equity instruments	-	1,537.47	1,350.90	-	2,888.37
Certificate of deposit	1,215.17	566.26	-	-	1,781.43
TREPs (Tri-party Repo)	665.20	-	-	-	665.20
Commercial paper	-	597.23	-	-	597.23
Total – gross	2,608.33	30,048.23	7,926.93	-	40,583.49
Less: Impairment loss allowance	0.01	0.02	-	-	0.03
Total – Net	2,608.32	30,048.21	7,926.93	-	40,583.46

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 2024 (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	
As at 31 March 2024					
Government and trust securities	-	24,028.19	6,518.80	22,012.86	52,559.85
Debt securities	-	9,340.11	1,966.38	7,212.12	18,518.61
AT 1 bonds	-	-	57.05	-	57.05
Mutual funds	-	-	395.11	-	395.11
Equity instruments	-	2,144.24	42,153.06	-	44,297.30
Certificate of deposit	538.63	-	-	-	538.63
TREPs (Tri-party Repo)	2,019.75	-	-	-	2,019.75
Total – gross	2,558.38	35,512.54	51,090.40	29,224.98	118,386.30
Less: Impairment loss allowance	0.02	0.06	-	-	0.08
Total – Net	2,558.36	35,512.48	51,090.40	29,224.98	118,386.22
As at 31 March 2023					
Government and trust securities	-	20,587.59	6,006.80	19,200.28	45,794.67
Debt securities	-	6,634.53	2,145.37	6,585.89	15,365.79
Equity instruments	-	1,008.55	30,611.64	-	31,620.19
Preference shares	-	-	32.96	-	32.96
Certificate of deposit	236.44	-	-	-	236.44
TREPs (Tri-party Repo)	2,329.58	-	105.43	-	2,435.01
Total – gross	2,566.02	28,230.67	38,902.20	25,786.17	95,485.06
Less: Impairment loss allowance	0.02	0.09	-	-	0.11
Total – Net	2,566.00	28,230.58	38,902.20	25,786.17	95,484.95

All investments in 9B above are within India

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

10 Other financial assets

(Unsecured, considered good, unless stated otherwise)

Particulars	As at 31 March	
	2024	2023
Reinsurance assets	11,384.83	7,839.44
Interest accrued on investments	1,748.67	1,312.04
Credit receivable for windpower generated	1.34	1.04
Security deposits	302.29	337.59
Advances receivable in cash or kind	353.86	259.11
Receivable from brokers and counter parties	373.23	156.49
Margin with exchanges	430.17	115.36
Credit cover under Government guarantee schemes	321.93	190.69
Receivable from debt management agencies	160.32	94.77
Others	192.02	302.72
	15,268.66	10,609.25
Change in reinsurance assets		
At the beginning of the period	7,839.44	6,451.74
Add/(Less)		
Premium	2,257.99	5,979.86
Unwinding of the discount/interest credited	18.51	18.34
Insurance liabilities released	1,192.41	(4,493.73)
Others	76.48	(116.77)
	11,384.83	7,839.44

(₹ In Crore)

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

11A Deferred tax assets (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Deferred tax liabilities		
On account of timing difference in		
Property, plant and equipment	29.85	-
Changes in fair value of FVTOCI debt securities - OCI	3.56	2.45
Other temporary differences	71.21	146.07
Gross deferred tax liabilities	104.62	148.52
Deferred tax assets		
On account of timing difference in		
Property, plant and equipment	1.46	0.99
Disallowance under section 43B of the Income Tax Act, 1961	103.47	65.33
Impairment of financial instruments	987.37	988.46
Changes in fair value of FVTOCI hedge reserve	3.57	0.01
Changes in fair value of FVTOCI equity instruments	9.75	94.43
Other temporary differences	27.17	22.86
Gross deferred tax assets	1,132.79	1,172.08
Deferred tax assets (net)	1,028.17	1,023.56

11B Deferred tax liabilities (net)

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Deferred tax liabilities		
On account of timing difference in		
Property, plant and equipment	33.32	5.78
Amortisation of premium/discount on acquisition of debt securities	0.02	0.01
Changes in fair value of investments	690.55	215.61
Other temporary differences	81.93	84.00
Gross deferred tax liabilities	805.82	305.40
Deferred tax assets		
On account of timing difference in		
Provision for compensated absences	20.90	0.62
Defined benefit plan provisions - OCI	2.82	1.96
Amortisation of premium/discount on acquisition of debt securities	0.10	0.11
Changes in fair value of insurance contract liability	267.51	194.67
Gross deferred tax assets	291.33	197.36
Deferred tax liabilities (net)	514.49	108.04

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

11B Deferred tax liabilities (net) (Contd.)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Changes in deferred tax recorded in profit or loss		
Deferred tax relates to the following		
Property, plant and equipment	19.47	18.29
Impairment of financial instruments	3.77	(13.23)
Disallowance under section 43B of the Income Tax Act, 1961	(22.73)	(31.11)
Financial instruments measured at EIR	0.02	0.75
Change in fair value of investment	260.66	(263.44)
Changes in fair value of insurance contract liability	(11.84)	109.74
Other temporary differences	(272.51)	85.49
	(23.16)	(93.51)
Changes in deferred tax recorded in other comprehensive income		
Deferred tax relates to the following		
Changes in fair value of FVTOCI debt securities	(309.15)	195.23
Changes in fair value of investments	(179.29)	(9.46)
Defined benefit plan provisions	18.01	8.59
Cash flow hedge reserve	-	(17.33)
	(470.43)	177.03

12 Investment properties

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Gross carrying amount		
Opening balance	41.77	41.77
Transfer from/to property, plant and equipment	(3.91)	-
Closing balance	37.86	41.77
Accumulated depreciation		
Opening balance	6.92	6.18
Depreciation charge	0.81	0.74
Closing balance	7.73	6.92
Net carrying amount	30.13	34.85

Fair value

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Investment properties	120.74	127.27

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 2024 (Contd.)

13A Property, plant and equipment

Current year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2024	Accumulated depreciation			Net block	
	As at 1 April 2023	Additions	Deductions/ adjustments		As at 1 April 2023	Deductions/ adjustments	For the year	As at 31 March 2024	As at 31 March 2024
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

Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2023	Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions/ adjustments		As at 1 April 2022	Deductions/ adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Land freehold	475.51	197.17	-	672.68	-	-	-	-	672.68
Buildings	755.88	13.41	-	769.29	164.86	-	11.83	176.69	592.60
Leasehold improvements	309.09	33.47	22.03	320.53	236.86	20.30	36.65	253.21	67.32
Freehold improvements	2.42	-	-	2.42	2.39	-	-	2.39	0.03
Information technology equipment	546.39	228.29	73.02	701.66	335.44	58.18	107.65	384.91	316.75
Electric installations	0.51	0.74	-	1.25	0.29	-	0.12	0.41	0.84
Office equipment	271.83	57.45	9.62	319.66	185.57	9.24	43.48	219.81	99.85
Furniture and fixtures	305.34	47.64	15.24	337.74	169.74	11.79	27.76	185.71	152.03
Electric fittings	2.32	0.20	0.01	2.51	2.01	-	0.05	2.06	0.45
Vehicles	187.04	139.67	24.31	302.40	54.48	12.13	34.87	77.22	225.18
Wind energy generators	283.72	-	-	283.72	269.53	-	-	269.53	14.19
Total	3,140.05	718.04	144.23	3,713.86	1,421.17	111.64	262.41	1,571.94	2,141.92

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

13B Right-of-use asset**Current year**

(₹ In Crore)

Particulars	Gross block			As at 31 March 2024	Accumulated depreciation			Net block	
	As at 1 April 2023	Additions	Deductions/ adjustments		As at 1 April 2023	Deductions/ adjustments	For the year	As at 31 March 2024	As at 31 March 2024
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

Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2023	Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions/ adjustments		As at 1 April 2022	Deductions/ adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Right-of-use assets	965.93	358.65	60.12	1,264.46	373.15	59.22	217.08	531.01	733.45

14 Other intangible assets**Current year**

(₹ In Crore)

Particulars	Gross block			As at 31 March 2024	Accumulated depreciation			Net block	
	As at 1 April 2023	Additions	Deductions/ adjustments		As at 1 April 2023	Deductions/ adjustments	For the year	As at 31 March 2024	As at 31 March 2024
Computer softwares	1,338.37	522.54	41.59	1,819.32	601.92	30.60	257.25	828.57	990.75

Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2023	Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions/ adjustments		As at 1 April 2022	Deductions/ adjustments	For the year	As at 31 March 2023	As at 31 March 2023
Computer Softwares	982.19	395.51	39.33	1,338.37	433.20	28.85	197.57	601.92	736.45

15 Other non-financial assets

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Capital advances	24.74	43.80
Indirect tax credits receivable	687.24	708.50
Others	731.11	290.83
	1,443.09	1,043.13

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

16 Trade payables

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Total outstanding dues of micro enterprises and small enterprises	35.09	34.59
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Sundry creditors and dues to policyholders	3,073.07	3,611.66
Balances due to agents and other intermediaries	861.29	182.88
Balances due to other insurers	2,307.97	1,376.15
	6,242.33	5,170.69

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	
31 March 2024						
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	-	-	-	-	-	-
31 March 2023						
MSME	8.63	25.96	-	-	-	34.59
Unbilled	1,874.37	-	-	-	-	1,874.37
Others	729.70	2,558.48	4.52	3.41	0.16	3,296.27
Disputed dues – other than MSME	-	-	-	0.05	-	0.05

17 Other payables

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Total outstanding dues of micro enterprises and small enterprises	-	0.65
Total outstanding dues of creditors other than micro enterprises and small enterprises	1,864.69	1,124.87

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

18 Debt securities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
In India		
At amortised cost		
(I) Secured		
Privately placed redeemable non-convertible debentures/bonds secured by pari passu charge by mortgage of BFL's Chennai office, on loan receivables as stated in the respective information memorandum. Until 5 July 2018, BFL had mortgaged its residential property at Pune on pari passu charge against specific debentures [See note 46(6)]	79,149.28	62,039.05
	79,149.28	62,039.05
(II) Unsecured		
Privately placed fully paid redeemable non-convertible debentures [See note 46(6)]	6,258.92	6,262.16
Privately placed partly paid redeemable non-convertible debentures [See note 46(6)]	2,014.82	1,387.83
Borrowings by issue of commercial papers [See note 46(6)]	24,829.52	11,906.99
	33,103.26	19,556.98
	112,252.54	81,596.03

19 Borrowings (other than debt securities)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
A. In India		
At amortised cost		
Term Loan [See note 46(7)]		
(i) from banks	79,258.27	67,726.06
(ii) from other parties	6,837.59	2,000.00
Cash credit	681.31	446.33
Working capital demand loan [See note 46(7)]	3,062.89	1,770.20
Collateralised borrowing and lending obligation, against government securities held by the Group [See note 46(7)]	15,758.96	8,145.36
	105,599.02	80,087.95
B. Outside India		
External commercial borrowing [See note 46(7)]	6,018.45	1,461.45
	111,617.47	81,549.40
C. Out of above		
Secured against hypothecation of assets under finance, book debts and other receivables	111,117.37	81,049.36
Unsecured	500.10	500.04
	111,617.47	81,549.40

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

20 Deposits
(Unsecured)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
At amortised cost		
Public deposits [See note 46(8)]	38,012.62	28,303.10
From others [See note 46(8)]	22,138.30	16,362.46
	60,150.92	44,665.56

21 Subordinated liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
In India		
At amortised cost		
Privately placed Subordinated (Tier II) redeemable non-convertible debentures (Unsecured) [See note 46(9)]	3,577.90	3,630.29
	3,577.90	3,630.29

22 Lease liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
At amortised cost		
As at 1 April	823.69	664.78
Add: Interest on lease liabilities	86.47	59.46
Additions/(Deletions)	423.63	99.45
	1,333.79	823.69

23 Other financial liabilities (at amortised cost)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Unclaimed dividend	3.63	2.72
Directors' remuneration and commission payable	23.32	15.58
Employee benefits payable	103.43	63.54
Security deposits	151.11	165.39
Others	1,549.01	913.84
	1,830.50	1,161.07

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

24 Provisions

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Provision for employee benefits [See note 45]		
Provision for gratuity	306.77	192.03
Provision for compensated absences	83.79	48.84
Provision for long-term incentive plan	88.77	70.31
Others	53.71	30.61
	533.04	341.79

25 Other non-financial liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Taxes and duties payable	996.90	843.53
Solatium fund	25.66	22.52
Premiums received in advance	1,868.55	1,481.15
Unallocated premium	1,183.24	910.80
Other payables	35.62	41.00
	4,109.97	3,299.00

26 Equity Share capital

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Authorised		
2,000,000,000 equity shares of ₹ 1 each	200.00	200.00
Issued, subscribed and fully paid-up shares		
1,595,488,813 (31 March 2023: 1,592,815,460) equity shares of ₹ 1 each	159.55	159.28
Less: 1,360,460 (31 March 2023: 180,560) equity shares of ₹ 1 each held in Trust for employees under ESOP scheme*	0.14	0.02
	159.41	159.26

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

26 Equity share capital (Contd.)

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	1,592,815,460	159.28	159,137,444	79.57
Add: Equity shares earlier held in abeyance, issued during the year [See note 26 d]	-	-	619	-
Add: Issued during the year to Trust for employees under ESOP scheme*	2,673,353	0.27	143,483	0.07
Before adjustment of sub-division of shares	1,595,488,813	159.55	159,281,546	79.64
Adjusted no. of shares on account of sub-division of equity share #	-	-	796,407,730	79.64
Add: Bonus shares issued during the year#	-	-	796,407,730	79.64
	1,595,488,813	159.55	1,592,815,460	159.28
Less: Equity shares held in trust for employees under ESOP scheme*	1,360,460	0.14	180,560	0.02
Outstanding at the end of the year	1,594,128,353	159.41	1,592,634,900	159.26

* On 31 July 2023, the Allotment Committee allotted 2,673,353 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. 8 August 2023.

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- i) Pursuant to approval of the Members
 - a) Sub-division of each existing equity share of face value of ₹ 5 (Rupees Five only) into Five (5) equity shares of face value of ₹ 1 (Rupees One only) fully paid-up and consequently the number of issued capital was increased from 159,281,546 equity shares of face value of ₹ 5 each into 796,407,730 equity shares of face value of ₹ 1 each.
 - b) Authorised share capital of the Company was increased from ₹ 100 crore consisting of 200,000,000 equity shares of face value of ₹ 5 each to ₹ 200 crore consisting of 2,000,000,000 equity shares of face value of ₹ 1 each post sub-division.
- ii) Subsequent to said approval, the Allotment Committee allotted 796,407,730 equity shares of face value of ₹ 1 each as bonus shares in the proportion of one bonus equity share of face value of ₹ 1 for every one equity share of face value of ₹ 1 held as on the record date, by capitalising an amount of ₹ 79.64 crore from securities premium. The bonus shares were listed on BSE Ltd. and National Stock Exchange of India Ltd. w.e.f. 22 September 2022.
- iii) Consequently, in terms of the Employee Stock Option Scheme of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme were proportionately adjusted.

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 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 2024 (Contd.)

26 Equity share capital (Contd.)**c. Details of shareholders holding more than 5% shares in the Holding Company**

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 1 each fully paid				
Bajaj Holdings & Investment Ltd.	623,142,140	39.06%	623,142,140	39.12%
Jamnallal Sons Pvt. Ltd.	154,900,840	9.71%	154,750,840	9.72%

d. Shares reserved for issue at a subsequent date

137,980 equity shares of ₹ 1 each (31 March 2023: 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. In the previous year, the Company issued 619 (before sub division (split) and bonus issue) of such equity shares at the offered price of ₹ 650, thereby collecting ₹ 0.04 crore as premium. During the year, the Company did not issue any such equity shares.

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	
	2024	2023
Securities premium		
Balance as at the beginning of the year	9,685.44	9,611.92
Add/(Less): Adjustment because of change in shareholding in subsidiary	(202.12)	-
Add: Received during the year	4,517.01	34.39
Add: On issue of shares to Trust for employees pursuant to ESOP scheme	462.77	77.46
Less: On issue of bonus shares	-	79.64
Less: Share issue expenses	17.73	2.04
Add: On exercise of options by employees pursuant to ESOP scheme	94.17	43.35
	14,539.54	9,685.44
Less: Premium on equity shares held in trust for employees under the ESOP scheme	139.89	8.91
Balance as at the end of the year	14,399.65	9,676.53
General reserve		
Balance as at the beginning of the year	2,093.42	2,076.55
Add/(Less): Adjustment because of change in shareholding in subsidiary	(9.08)	-
Add: Transfer on cancellation of stock options	6.35	16.87
Balance as at the end of the year	2,090.69	2,093.42
Share based payments reserve		
Balance as at the beginning of the year	470.89	377.13
Add/(Less): Adjustment because of change in shareholding in subsidiary	(6.38)	-
Add: Charge for the year	250.94	191.00
Less: Transfer on exercise of option	96.03	80.59
Less: Transfer on cancellation of stock options	6.35	16.65
Balance as at the end of the year	613.07	470.89

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

27 Other equity (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Treasury shares		
Balance as at the beginning of the year	(117.48)	(119.97)
Add: Movement during the year	13.17	2.49
Balance as at the end of the year	(104.31)	(117.48)
Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934		
Balance as at the beginning of the year	3,988.62	2,907.24
Add/(Less): Adjustment because of change in shareholding in subsidiary	(88.63)	-
Add: Transferred from surplus in Statement of Profit and Loss	1,299.00	1,081.38
Balance as at the end of the year	5,198.99	3,988.62
Reserve fund in terms of section 29C of the National Housing Bank Act, 1987		
Balance as at the beginning of the year	171.90	121.74
Add/(Less): Adjustment because of change in shareholding in subsidiary	(3.76)	-
Add: Transferred from surplus in Statement of Profit and Loss	57.12	50.16
Balance as at the end of the year	225.26	171.90
Infrastructure reserve in terms of section 36 (1)(viii) of the Income-tax Act, 1961		
Balance as at the beginning of the year	157.30	75.41
Add/(Less): Adjustment because of change in shareholding in subsidiary	(3.45)	-
Add: Transferred from surplus in Statement of Profit and Loss	120.66	81.89
Balance as at the end of the year	274.51	157.30
Retained earnings		
Balance as at the beginning of the year	30,078.41	24,949.79
Add/(Less): Adjustment because of change in shareholding in subsidiary	(384.51)	-
Add: Transfer on exercise of stock options	1.86	2.67
Profit for the year	8,147.79	6,417.28
Items of other comprehensive income recognised directly in retained earnings		
Actuarial gain/(loss) of defined benefit plans	(32.84)	(16.11)
Less: Appropriations		
Final dividend, declared and paid during the year	127.43	63.65
Transfer to Reserve fund in terms of section 45-IC(1) of the Reserve Bank of India Act, 1934	1,299.00	1,081.38
Transfer to Reserve fund in terms of section 29C of the National Housing Bank Act, 1987	57.12	50.16
Transfer to Infrastructure reserve in terms of section 36 (1)(viii) of the Income-tax Act, 1961	120.66	81.89
Adjustment of dividend to ESOP Trust	1.23	(1.86)
Total appropriations	1,605.44	1,275.22
Balance as at the end of the year	36,205.27	30,078.41
Other reserves		
Debt instruments through other comprehensive income		
Balance as at the beginning of the year	(312.77)	188.69
Add/(Less): Adjustment because of change in shareholding in subsidiary	0.22	-
Add/(Less): Changes in fair value of FVTOCI debt securities	562.10	(501.46)
Balance as at the end of the year	249.55	(312.77)

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

27 Other equity (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Equity instruments through other comprehensive income		
Balance as at the beginning of the year	(1.49)	(4.31)
Add/(Less): Adjustment because of change in shareholding in subsidiary	0.93	-
Add/(Less): Changes in fair value of FVTOCI equity securities	535.39	2.82
Balance as at the end of the year	534.83	(1.49)
Hedge instruments through other comprehensive income		
Balance as at the beginning of the year	42.75	(16.96)
Add/(Less): Adjustment because of change in shareholding in subsidiary	(0.08)	-
Add/(Less): Changes in fair value of FVTOCI hedge instruments	439.05	59.71
Balance as at the end of the year	481.72	42.75
	60,169.23	46,248.08

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.

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 profit 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

27 Other equity (Contd.)

Retained earnings

Retained earnings represents the surplus in profit and loss account that the Company has earned till date, less any transfers to general reserve, special reserve, dividends or other distributions paid to shareholders, reclassification of gain/(loss) on sale of FVTOCI equity instruments and balance of remeasurement of net defined benefit plans. Retained earnings is a free reserve.

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 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.

28 Interest income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Interest income on		
Loans (at amortised cost)	41,638.99	31,080.04
Loans (at FVTOCI)	5,039.51	3,714.41
Investments (at amortised cost)	303.96	369.30
Investments (at FVTPL)	2,145.56	1,983.34
Investments (at FVTOCI)	2,556.61	2,957.69
Others	2,108.56	50.46
	53,793.19	40,155.24

29 Fees and commission income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Loan related charges	1,772.75	1,553.40
Non-loan related charges	268.73	253.83
Foreclosure income	439.59	319.11
Distribution income	2,946.51	2,186.11
Asset management services	8.11	-
Trusteeship fee	0.16	-
	5,435.85	4,312.45

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

30 Net gain/(loss) on fair value changes

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Net gain/(loss) on financial instruments at FVTPL		
Debt instruments at FVTPL	287.41	363.54
Equity investments at FVTPL	2,664.73	(808.00)
Profit on sale on investments	(15.25)	-
Others		
Gain/(loss) on sale of debt instrument at amortised cost	0.11	(0.07)
Gain/(loss) on sale of debt FVTOCI instruments	(101.19)	289.02
	2,835.81	(155.51)
Fair value changes		
Realised	1,299.00	1,503.21
Unrealised	1,536.81	(1,658.72)
	2,835.81	(155.51)

31 Sale of services

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Windpower income		
Income from power generation (within India)	22.80	21.25
Income from Renewable Energy Certificates (REC) (within India)	1.28	1.91
	24.08	23.16
Service income	418.76	134.62
Service fees for management of assigned portfolio of loans	212.28	168.09
	655.12	325.87

32 Others

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Bad debt recoveries	854.28	1,108.67
Miscellaneous charges and receipts	322.60	30.73
	1,176.88	1,139.40

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

33 Other income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Business support service	0.38	0.46
Miscellaneous receipts	-	0.18
Surplus on sale of property, plant and equipment	0.25	0.06
Provision no longer required	0.46	0.07
	1.09	0.77

34 Employee benefits expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Salaries, wages and bonus to employees	9,321.53	7,918.63
Contribution to provident and other funds	443.33	351.08
Share based payments to employees	392.52	342.74
Staff welfare expenses	203.57	154.70
	10,360.95	8,767.15

35 Finance costs

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
On financial liabilities measured at amortised cost		
Interest on deposits	4,040.50	2,647.18
Interest on borrowings other than debt securities	6,667.25	4,420.86
Interest on debt securities	7,278.29	4,739.06
Interest on subordinated liabilities	302.60	316.83
Interest on lease liability	86.47	59.46
Other interest expenses	24.40	18.03
	18,399.51	12,201.42

36 Fees and commission expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Commission and incentives	15.62	13.65
Recovery costs	1,624.54	1,686.82
Commission, operating and other expenses pertaining to insurance business	4,842.85	2,309.33
Others	487.59	228.37
	6,970.60	4,238.17

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

37 Impairment on financial instruments

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Expected credit losses		
on loans measured at amortised cost	4,548.61	3,073.25
on loans measured at FVTOCI	0.55	68.34
on other financial assets measured at amortised cost	100.66	55.00
on other financial assets measured at FVTOCI	(16.24)	34.39
	4,633.58	3,230.98

38 Depreciation, amortisation and impairment

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Depreciation on property, plant and equipment	371.78	262.41
Depreciation on investment properties	0.81	0.74
Amount amortised/written off of intangible asset	257.25	197.57
Depreciation on right-of-use assets	270.29	217.08
	900.13	677.80

39 Other expenses

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Rent	84.00	6.79
Repairs to buildings	5.48	4.70
Repairs to machinery - windmill	8.75	11.11
Repairs to others	206.60	191.53
Energy generation expenses	0.11	0.32
REC registration, issuance and brokerage charges	0.11	0.12
Rates and taxes	56.13	109.51
Insurance	13.78	10.58
Payment to auditor	5.51	5.24
Directors' fees and travelling expenses	16.12	6.64
Commission to non-executive directors	3.09	1.72
Loss on sale/disposal of property, plant and equipment	12.66	0.04
Advertisement and publicity	1,220.56	1,453.97
Travelling (including foreign travel) expenses	604.70	460.67
Business support service expenses	30.25	18.79
Expenditure towards Corporate Social Responsibility (CSR) activities	251.26	194.15
Legal and professional charges	272.62	214.61
Communication expenses	269.32	244.35
Outsourcing/back office expenses	915.48	406.16
Marketing and support services	43.88	1,079.28

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

39 Other expenses (Contd.)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Bank charges	207.02	178.84
Information technology expenses	1,067.45	838.21
Miscellaneous expenses	807.52	461.95
	6,102.40	5,899.28

Payments to auditor

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
As auditor		
Audit fee	3.66	3.53
Tax audit fee	0.43	0.37
Limited review	0.54	0.48
Other services (certification fees and other matters)	0.56	0.61
Reimbursement of expenses	0.32	0.25
	5.51	5.24

40 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Tax expense		
Current tax		
Current tax on profit for the year	5,811.33	4,714.15
Adjustments for current tax of prior periods	(8.50)	(19.05)
Total current tax expense	5,802.83	4,695.10
Deferred tax		
Decrease/(increase) in deferred tax assets	(6.50)	23.19
(Decrease)/increase in deferred tax liabilities	(16.66)	(116.70)
Total deferred tax expense/(benefit)	(23.16)	(93.51)
Tax expense	5,779.67	4,601.59

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

41 Earnings Per Share (EPS)

Particulars	For the year ended 31 March	
	2024	2023
Profit for the year (₹ In Crore)	8,147.79	6,417.28
Weighted average number of shares outstanding during the year (Nos)	1,592,815,460	1,591,378,408
Weighted average number of shares outstanding during the year (Nos) - Diluted	1,608,289,294	1,604,279,313
Earnings per share (Basic) ₹	51.2	40.3
Earnings per share (Diluted) ₹	50.7	40.0
Face value per share ₹	1.0	1.0

42A Contingent liabilities

Particulars	As at 31 March	
	2024	2023
a. Claims against BFL not acknowledged as debts	127.73	75.47
b. Income-tax matters under dispute		
Appeal by Group	7.92	22.40
Appeal by Department	0.28	0.28
c. ESI matters under appeal	5.14	5.14
d. VAT matters under appeal	6.03	5.78
e. Service tax matters under appeal		
On interest subsidy	2,293.64	2,164.00
On penal interest/charges	-	265.49
On others	696.55	638.55
f. Claims, under policies, not acknowledged as debts*		
Death repudiation cases pending	99.28	80.13
Cases pending against servicing failure	9.19	9.12
g. Guarantees given by or on behalf of BFL	2.50	2.91
h. Statutory demands/liabilities under GST	73.88	-

*Pertains to litigations pending with various consumer forums/courts.

- 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 BFL in relation to the interest subsidy BFL received from manufacturers and dealers during the period 1 April 2010 to 30 September 2016. The Commissioner has also demanded payment of interest on the service tax amount confirmed until the date BFL pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 980.92 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 from manufacturers and dealers during the period 1 October 2016 to 30 June 2017. The Principal Commissioner has also demanded payment of interest on the service tax amount confirmed until the date BFL pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 230.18 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

42A Contingent liabilities (Contd.)

- iii) 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 in accordance with Rule 6(3)(i) Cenvat Credit Rules, 2004 during the period 1 October 2014 to 30 June 2017. In addition, the Commissioner has demanded payment of interest on the service tax amount confirmed until the date BFL pays the service tax demanded, which as at 31 March 2024 amounted to ₹ 225.32 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.
- iv) Vide order dated 7 August 2023, the Customs, Excise and Service Tax Appellant Tribunal, Mumbai set aside an order issued by the Commissioner, Central Excise and CGST, Pune -I, Commissionerate demanding service tax of ₹ 53.87 crore and penalties of ₹ 53.87 crore in relation to the penal interest/charges received by BFL from its customers during the period 1 July 2012 to 31 March 2016. Given the same, BFL has not considered demand of service tax on penal interest/charges as a part of contingent liability for period from 1 July 2012 to June 2017.
- v) The Assistant Commissioner, West Bengal, through an order dated 06 February 2023, has confirmed the demand of GST of ₹ 11.46 crore and penalty of ₹ 11.46 crore from BFL alleging that input tax credit to the extent of credit notes issued by BFL was not reversed by customers for the period 1 July 2017 to 31 March 2020. The Assistant Commissioner has also demanded payment of interest on the GST liability confirmed until the date BFL pays the GST demanded, which as at 31 December 2023 amounted to ₹ 9.04 crore. In accordance with legal advice, BFL has filed an appeal on 4 May 2023 before the Additional Commissioner, West Bengal disputing the demands. The Additional Commissioner, West Bengal vide orders dated 27 March 2024 and 28 March 2024, has reduced the demand under appeal to ₹ 6.82 crore and imposed penalty of ₹ 0.68 crores from BFL basis the verification of reversal of credit by the customers. The Additional Commissioner has also demanded payment of interest on the GST liability confirmed until the date BFL pays the GST demanded, which as at 31 March 2024 amounted to ₹ 5.40 crore. In accordance with legal advice, BFL is in the process of filing an appeal before GST Appellate Tribunal against the demand order.
- vi) 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.
- vii) During FY2024, Insurance companies were in receipt of a show cause cum demand notice ('SCN') from Directorate General of GST Intelligence (the 'DGGI') of ₹ 112.01 Cr. (excluding interest and penalty) in respect of availment of certain input tax credit ('ITC') by insurance companies. Insurance companies believe that ITC availed is in compliance with the provisions of applicable laws, accordingly the reply shall be filed to the said SCN and the matter shall be contested. The said demand has been currently assessed by insurance companies as contingent liability.

42B Capital and other commitments

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Capital commitments, net of capital advances	72.45	302.50
Commitments made for investments	35.00	47.10
Partly paid share warrants*	891.64	-
Commitment for acquisition by subsidiary#	325.00	-
Other commitments towards partially disbursed/un-encashed loans/future CSR spend	5,500.63	6,374.84

BALIC holds investments with commitments outstanding as at 31 March 2024 of ₹ 680.31 crore (At 31 March 2023: ₹ 1,067.96 crore)

*Bajaj Finserv Ltd. has 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 are allotted on 2 November 2023.

Bajaj Finserv Ltd. has paid 25% of the issue price amounting to ₹ 297.21 crore and the remaining 75% of the consideration amounting to ₹ 891.64 crore shall be payable on the exercise of warrants or within a period of eighteen months from the date of allotment, whichever is earlier.

#Bajaj Finserv Ltd. has agreed to invest a sum of ₹ 325 crore in Bajaj Finserv Health Ltd., a wholly owned subsidiary of the Company to complete the acquisition of Vidal Healthcare Services Pvt. Ltd.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

43 Segment information

Segment information is based on the consolidated financial statements.

Segment wise revenue, results and capital employed for the period ended 31 March 2024**(a) Primary Segment: Business Segment**

(₹ In Crore)

	Life insurance	General insurance	Windmill	Retail financing	Investments and others	Consolidated
Revenue						
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
Total revenue	27,673.13	27,299.28	24.08	54,982.51	3,189.92	113,168.92
Segment result	634.88	1,765.23	12.94	19,802.68	(840.70)	21,375.03
Tax expense						5,779.67
Minority interest						7,447.57
Net profit	634.88	1,765.23	12.94	19,802.68	(840.70)	8,147.79
Segment assets	112,605.84	47,225.50	41.30	374,957.56	2,019.54	536,849.74
Unallocated corporate assets						51.72
Total assets	112,605.84	47,225.50	41.30	374,957.56	2,019.54	536,901.46
Segment liabilities	103,656.58	36,251.56	0.39	5,673.24	441.28	146,023.05
Unallocated corporate liabilities						17.41
Total liabilities	103,656.58	36,251.56	0.39	5,673.24	441.28	146,040.46
Capital employed	8,949.26	10,973.94	40.91	369,284.32	1,578.26	390,861.00

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 2023**(a) Primary Segment: Business Segment**

(₹ In Crore)

	Life insurance	General insurance	Windmill	Retail financing	Investments and others	Consolidated
Revenue						
External sales and other income	19,960.09	20,394.81	23.16	41,372.78	321.17	82,072.01
Inter segment sales and other income	344.66	167.69	-	32.91	1,382.94	1,928.20
Total revenue	20,304.75	20,562.50	23.16	41,405.69	1,704.11	84,000.21
Segment result	(190.51)	1,403.12	10.49	16,168.79	(580.76)	16,811.13
Tax expense	-	-	-	-	-	4,601.59
Non-controlling interest	-	-	-	-	-	5,792.26
Net profit	(190.51)	1,403.12	10.49	16,168.79	(580.76)	6,417.28
Segment assets	90,236.97	37,982.30	33.02	274,606.16	1,578.19	404,436.64
Unallocated corporate assets	-	-	-	-	-	48.99
Total assets	90,236.97	37,982.30	33.02	274,606.16	1,578.19	404,485.63
Segment liabilities	82,828.64	29,102.07	-	4,136.61	277.06	116,344.38
Unallocated corporate liabilities	-	-	-	-	-	17.41
Total liabilities	82,828.64	29,102.07	-	4,136.61	277.06	116,361.79
Capital employed	7,408.33	8,880.23	33.02	270,469.55	1,301.13	288,123.84

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 2024 (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 2023-24		FY 2022-23	
		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 41.56% shares of Bajaj Finserv Ltd.)	Contribution to equity [623,142,140 shares of ₹ 1 each (Previous year 623,142,140 shares of ₹ 1 each)]	-	(62.31)	-	(62.31)
	Dividend paid	49.85	-	24.93	-
	Business support services received	25.13	-	19.31	0.04
	Business support services rendered	1.03	-	1.43	-
	Other payments	3.90	-	0.10	-
	Insurance premium received by BAGIC/BALIC	1.32	-	1.00	-
	Unallocated premium	-	(1.70)	-	(1.63)
	Billable expenses reimbursement received	1.01	-	0.44	-
	Billable expenses reimbursed on behalf	2.03	-	1.00	-
	Secured non convertible debentures redemption	-	-	150.00	-
	Interest paid on non convertible debentures	-	-	12.98	-
	Security deposit	0.70	0.70	-	-
	Rent paid	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	2.64	-	2.06	-
	Insurance premium received by BAGIC/BALIC	0.06	-	0.04	-
	Insurance commission paid by BAGIC/BALIC	1.20	-	0.44	-
	Unallocated premium	-	(0.12)	-	(0.04)
Bajaj Allianz Staffing Solutions Ltd. (100% owned subsidiary of Bajaj Allianz Financial Distributors Ltd.,)	Insurance premium received by BAGIC/BALIC	1.65	-	1.30	-
	Unallocated premium	-	(0.05)	-	(0.02)
	Manpower supply charges	164.73	-	98.33	-
	Business support services received	2.34	-	0.28	-
	Other receipts	0.22	-	0.13	-
	Security deposits received	-	(0.07)	-	(0.05)
C. Individuals controlling voting power/exercising significant influence and their Relatives					
Madhur Bajaj	Sitting fees	0.07	-	0.08	-
	Commission	0.21	(0.21)	0.17	(0.17)
Rajiv Bajaj	Sitting fees	0.12	-	0.12	-
	Commission	0.43	(0.40)	0.27	(0.26)
Shefali Bajaj	Deposit paid	-	0.41	-	0.41
	Rent paid	0.50	-	0.48	-
	Transaction charges	-	-	-	-
Sanjiv Bajaj (Chairman & Managing Director) (Also key management personnel)	Short-term employee benefits (including commission)	33.93	(24.40)	22.33	(14.44)
	Post-employment benefits	2.04	-	1.63	-
	Deposit paid	-	1.08	-	1.08
	Rent paid	1.15	-	1.10	-
	Sitting fees	0.39	-	0.37	-

* The amount is below the rounding off norm adopted by the Group.

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2023-24		FY 2022-23	
		Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
Late D J Balaji Rao	Sitting fees	0.17	-	0.21	-
	Commission	0.61	(0.58)	0.46	(0.44)
Dr. Naushad Forbes	Sitting fees	0.37	-	0.33	-
	Commission	1.28	(1.21)	0.74	(0.70)
Manish Kejriwal	Sitting fees	0.10	-	0.13	-
	Commission	0.30	(0.30)	0.26	(0.26)
	Secured non-convertible debentures redemption	-	-	15.00	-
	Interest paid on non-convertible debentures	-	-	1.07	-
Anami Roy	Sitting fees	0.60	-	0.43	-
	Commission	1.86	(1.73)	0.72	(0.67)
Radhika Haribhakti	Sitting fees	0.31	-	0.16	-
	Commission	1.09	(1.03)	0.36	(0.34)
Dr. Arindam Kumar Bhattacharya	Sitting fees	0.32	-	-	-
	Commission	0.84	(0.76)	-	-
Pramit Jhaveri	Sitting fees	0.40	-	0.29	-
	Commission	1.43	(1.34)	0.67	(0.62)
D Other entities/persons:					
Bajaj Auto Ltd.	Sale of windpower	-	-	0.66	-
	OA charges reimbursement	-	-	0.52	-
	Business support services received	39.14	-	31.69	-
	Business support services rendered	0.17	-	0.18	-
	Interest subsidy	1.35	-	0.87	0.46
	Insurance premium received by BAGIC/BALIC	22.92	-	24.60	-
	Insurance claims paid by BAGIC/BALIC	1.06	-	6.75	-
	Security deposit paid	-	0.24	-	0.24
	Unallocated premium	-	(16.04)	-	(12.09)
	Dividend income	1.75	-	1.75	-
	Investments held	-	114.35	-	48.56
	Revenue expenses reimbursement paid	0.04	-	0.05	-
	Rent and maintenance expenses	1.65	-	1.55	-
	Bad debts sharing received	2.90	-	7.19	8.46
	Inter-corporate deposit accepted	500.00	(500.00)	500.00	(500.00)
	Inter-corporate deposit repaid	500.00	-	-	-
	Interest accrued on Inter-corporate deposits	37.82	(17.91)	9.52	(9.52)
	Secured non-convertible debentures issued	-	-	-	(500.00)
	Secured non-convertible debentures redemption	500.00	-	-	-
	Interest paid on non-convertible debentures	25.25	-	25.25	-
	Purchase of property, plant and equipment	-	-	2.27	-
Bajaj Electricals Ltd.	Purchase of property, plant and equipment	0.23	(0.19)	0.20	-
	Interest subsidy	0.54	0.06	0.15	0.07
	Insurance claims paid by BAGIC/BALIC	54.35	-	9.46	-

* The amount is below the rounding off norm adopted by the Group.

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2023-24		FY 2022-23	
		Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
	Insurance premium received by BAGIC/BALIC	82.29	-	45.52	-
	Unallocated premium	-	12.30	-	(7.86)
	Inter-corporate deposit accepted	95.00	(60.00)	70.00	(70.00)
	Inter-corporate deposit repaid	105.00	-	-	-
	Interest accrued on Inter-corporate deposits	4.19	(1.46)	0.54	(0.48)
Bajaj Auto Holdings Ltd.	Contribution to equity (2,090,050 shares of ₹1 each)	-	(0.21)	-	(0.21)
	Dividend paid	0.17	-	0.08	-
Hind Musafir Agency Ltd.	Services received	90.13	(1.33)	60.72	(0.20)
	Service charges paid	-	-	0.35	-
	Insurance premium received by BAGIC/BALIC	0.05	(2.04)	0.04	(3.76)
	Advances	-	-	-	0.01
Chetak Technology Ltd.	Insurance premium received by BAGIC/BALIC	0.53	-	-	-
	Unallocated premium	-	(0.04)	-	-
Bajaj Auto Credit Ltd.	Asset sales	0.94	-	-	-
Mukand Ltd.	Sale of windpower	-	-	0.25	-
	Insurance premium received by BAGIC/BALIC	5.87	-	7.08	-
	Insurance claims paid by BAGIC/BALIC	1.37	-	4.55	-
	Rent and other expenses paid	0.24	-	-	-
	Unallocated premium	-	(0.21)	-	(0.52)
Snapwork Technologies Pvt. Ltd.	Investment in equity shares	-	28.49	28.49	28.49
	Investment in compulsorily convertible preference shares (Deemed equity)	-	64.25	64.25	64.25
	Information technology design and development charges	20.86	(0.83)	5.61	-
	Support charges	0.48	-	-	-
Pennant Technologies Pvt. Ltd	Investment in equity shares	113.75	113.75	-	-
	Investment in compulsorily convertible preference shares (Deemed equity)	153.72	153.72	-	-
	Information technology design and development charges	6.80	(12.33)	-	-
	Annual maintenance charges paid	0.82	(0.43)	-	-
Mukand Engineers Ltd.	Insurance premium received by BAGIC/BALIC	-	-	0.05	-
	Insurance claims paid by BAGIC/BALIC	-	-	*	-
	Unallocated premium	-	-	-	*
Hindustan Housing Co. Ltd.	Contribution to equity (80,000 shares of ₹1 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.01	-	*	-
Hercules Hoists Ltd.	Contribution to equity [(1,105,630 shares of ₹1 each) (Previous year 920,630 shares of ₹1 each)]	-	(0.11)	-	(0.09)
	Fixed deposits repaid	-	-	6.50	-
	Interest accrued on fixed deposits	-	-	0.51	-
	Dividend paid	0.09	-	0.04	-
Maharashtra Scooters Ltd.	Business support charges received	0.18	-	0.15	-
	Non-convertible debentures issued	-	(225.00)	-	(175.00)
	Secured non-convertible debentures redemption	100.00	-	85.00	-
	Interest on non-convertible debentures issued	9.94	-	17.12	-

* The amount is below the rounding off norm adopted by the Group.

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2023-24		FY 2022-23	
		Transaction value	Outstanding amounts carried in the balance sheet	Transaction value	Outstanding amounts carried in the balance sheet
	Contribution to equity of BFL (18,974,660 shares of ₹ 2 each)	-	(3.79)	-	(3.79)
	Contribution to equity (37,932,400 shares of ₹ 1 each)	-	(3.79)	-	(3.79)
	Dividend paid	59.95	-	39.44	-
	Rent received	*	-	*	-
Indian School of Business	Training expenses	3.21	-	1.39	-
Sanjali Family Trust	Rent paid	0.63	-	0.60	-
	Security deposit paid	-	0.14	-	0.14
	Revenue expenses reimbursement received	0.09	-	0.09	-
Jamnalal Sons Pvt. Ltd.	Security deposit	0.01	0.14	0.18	0.26
	Security deposit received	0.13	-	-	-
	Rent and other expenses	0.37	-	0.61	-
	Contribution to equity	-	(0.03)	-	(0.03)
	Revenue expenses reimbursement received	0.03	-	0.05	-
	Dividend paid	0.38	-	0.26	-
Bajaj Auto Ltd. Provident Fund	Unsecured non convertible debentures issued	-	(36.00)	-	(36.00)
	Unsecured non convertible debentures redemption	-	-	10.00	-
	Interest paid on non convertible debentures	3.35	-	4.34	-
	Provident fund contribution (Employer's share)	-	-	-	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	1.21	-	1.31	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	14.48	-	14.48	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	23.10	-	24.73	-
Bajaj Finserv Charitable Trust	CSR payment	-	-	0.50	-
Bachhraj Factories Pvt. Ltd.	Contribution to equity (72,000 shares of ₹ 2 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.22	-	0.14	-
Baroda Industries Pvt. Ltd.	Contribution to equity (308,500 shares of ₹ 2 each)	-	(0.06)	-	-
	Dividend paid	0.93	-	-	-
Baroda Industries Pvt. Ltd.	Contribution to equity (117,600 shares of ₹ 2 each)	-	(0.02)	-	(0.02)
	Dividend paid	0.35	-	0.24	-

* 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.

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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

45 Employee benefit plans (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	741.39	563.10
Fair value of plan assets	435.26	372.81
Net funded obligation *	306.77	192.03
Net funded assets *	(0.64)	(1.74)

* Entities having net asset or net obligation are consolidated for net asset or net obligation, respectively and shown in above disclosure.

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Expense recognised in the Statement of Profit and Loss		
Current service cost	95.85	74.44
Past service cost	-	9.00
Write off for assets acquired	-	1.23
Interest on net defined benefit liability/(asset)	12.21	7.55
Total expense charged to Statement of Profit and Loss	108.06	92.22
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	177.33	141.03
Remeasurements during the period due to		
Changes in financial assumptions	15.26	(14.08)
Changes in demographic assumptions	9.61	2.78
Experience adjustments	56.03	39.52
Actual return on plan assets less interest on plan assets	(9.36)	7.43
Adjustment to recognise the effect of asset ceiling	(0.65)	0.65
Closing amount recognised in OCI outside Statement of Profit and Loss	248.22	177.33
Movement in benefit obligation		
Opening of defined benefit obligation	563.10	443.77
Current service cost	93.48	76.79
Past service cost	-	9.00
Interest on defined benefit obligation	39.38	28.64
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	17.19	(14.08)
Actuarial loss/(gain) arising from change in demographic assumptions	9.61	2.78
Actuarial loss/(gain) arising on account of experience changes	53.51	40.11
Benefits paid	(30.24)	(23.25)
Liabilities assumed/(settled)	(4.64)	(0.66)
Closing of defined benefit obligation	741.39	563.10

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

45 Employee benefit plans (Contd.)

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Movement in plan assets		
Opening fair value of plan assets	372.81	325.50
Employer contributions	65.78	58.85
Interest on plan assets	27.22	21.08
Remeasurements due to		
Actual return on plan assets less interest on plan assets	4.34	(7.44)
Benefits paid	(30.43)	(23.92)
Assets acquired/(settled)*	(4.46)	(1.26)
Closing fair value of plan assets	435.26	372.81

* On account of inter group transfer

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Disaggregation of assets		
Category of assets		
Insurer managed funds	435.26	372.81

Particulars	As at 31 March	
	2024	2023
	Principal actuarial assumptions (expressed as weighted averages)	
Discount rate (p.a.)		
Bajaj Finserv Ltd.	7.20%	7.45%
Bajaj Allianz General Insurance Co. Ltd.	7.15%	7.30%
Bajaj Allianz Life Insurance Co. Ltd.	7.15%	7.30%
Bajaj Finance Ltd.	7.20%	7.45%
Bajaj Finserv Direct Ltd.	7.20%	7.45%
Bajaj Finserv Health Ltd.	7.20%	7.45%
Bajaj Finserv Asset Management Ltd.	7.20%	7.45%
Bajaj Finserv Ventures Ltd.	7.20%	-
Salary escalation rate (p.a.)		
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.	10.00%	10.00%
Bajaj Finserv Asset Management Ltd.	8.00%	10.00%
Bajaj Finserv Ventures Ltd.	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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

45 Employee benefit plans (Contd.)

Unfunded schemes

(₹ In Crore)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Compensated absences	Long-term incentive plan	Compensated absences	Long-term incentive plan
Present value of unfunded obligations	83.79	88.77	51.48	70.31
Discount rate (p.a.)	7.20% ~ 7.45%		7.30% ~ 7.45%	
Salary escalation rate (p.a.)	8.00% ~ 11.25%		8.00% ~ 11.25%	

Amount recognised in the Statement of Profit and Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Defined contribution plans		
Provident fund paid to Government authorities	80.73	61.17
Superannuation paid to trust	0.94	0.91
Pension fund paid to Government authorities	2.15	1.66
Others	16.71	10.83
Defined Benefit plans		
Gratuity	108.06	92.12
Others	0.01	0.14
Total	208.60	166.83

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)

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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**1. Capital** (Contd.)

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 asset 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 profit & 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 profit after tax on standalone financials, to the extent possible.

Further, BFL supports funding needs of its wholly owned subsidiaries by way of capital infusion and loans. These investments are funded by BFL through its equity share capital and other equity which inter alia includes retained profit.

2. Regulatory capital

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Bajaj Finance Ltd.		
Tier I capital	67,796.11	46,152.02
Tier II capital	3,166.61	3,513.81
Total capital (Tier I + Tier II)	70,962.72	49,665.83
Risk weighted assets	315,149.85	198,890.14
Tier I CRAR	21.51%	23.20%
Tier II CRAR	1.01%	1.77%
Total CRAR (Tier I + Tier II)	22.52%	24.97%

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Bajaj Housing Finance Ltd.		
Tier I capital	11,857.24	10,184.74
Tier II capital	348.45	359.66
Total capital (Tier I + Tier II)	12,205.69	10,544.40
Risk weighted assets	57,351.83	45,901.75
Tier I CRAR	20.67%	22.19%
Tier II CRAR	0.61%	0.78%
Total CRAR (Tier I + Tier II)	21.28%	22.97%

Notes to consolidated financial statements for the year ended 31 March 2024 (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 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-Mar-24	4,969.85	-	-	4,969.85
Equity instrument designated under FVTOCI (Unquoted)	31-Mar-24	-	-	699.22	699.22
Equity instrument designated under FVTOCI (Quoted)	31-Mar-24	102.89	-	-	102.89
Other investments designated under FVTOCI	31-Mar-24	22,470.92	1,912.89	-	24,383.81
Loans designated under FVTOCI	31-Mar-24	-	57,709.92	-	57,709.92
Derivative financial instrument (net)	31-Mar-24	0.05	25.67	-	25.72
Total		27,543.71	59,648.48	699.22	87,891.41

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value as at 31 March 2023

(₹ 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-Mar-23	6,575.79	-	-	6,575.79
Equity instrument designated under FVTOCI (Unquoted)	31-Mar-23	-	-	590.09	590.09
Equity instrument designated under FVTOCI (Quoted)	31-Mar-23	60.40	-	-	60.40
Other investments designated under FVTOCI	31-Mar-23	14,139.08	1,163.49	-	15,302.57
Loans designated under FVTOCI	31-Mar-23	-	47,113.67	-	47,113.67
Derivative financial instrument (net)	31-Mar-23	(3.48)	148.35	-	144.87
Total		20,771.79	48,425.51	590.09	69,787.39

Notes to consolidated financial statements for the year ended 31 March 2024 (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	
	2024	2023
Opening balance	590.09	608.73
Acquisitions during the year	-	-
Disposals during the year	-	-
Fair value gain/(loss) recognised in profit or loss	-	-
Gain/(loss) recognised in other comprehensive income	109.13	(18.64)
Closing balance	699.22	590.09

Sensitivity analysis of significant unobservable input on the fair value of equity instrument classified under FVTOCI

(₹ In Crore)

	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)

(₹ In Crore)

	Sensitivity to fair value as at 31 March 2023	
	1 % increase	1 % decrease
Discounting rate	(21.52)	25.18
Cash flows	14.86	(12.89)

b. 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)*	
Financial Assets					
Loans	268,583.40	-	-	267,733.19	267,733.19
Investments	355.46	-	-	357.55	357.55
	268,938.86	-	-	268,090.74	268,090.74
Financial liabilities					
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 debts	3,577.90	-	3,621.87	-	3,621.87
	293,345.83	-	122,016.90	171,817.41	293,834.31

*fair value computed using discounted cash flow method.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

3. Quantitative disclosures (Contd.)

Fair value of financial instruments measured at amortised cost as at 31 March 2023

(₹ 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)*	
Financial Assets					
Loans	195,155.26	-	-	194,741.34	194,741.34
Investments	128.59	-	-	129.45	129.45
	195,283.85	-	-	194,870.79	194,870.79
Financial liabilities					
Debt securities	86,845.24	-	87,168.55	-	87,168.55
Borrowings (other than debt securities)	81,549.40	-	-	81,549.40	81,549.40
Deposits	44,665.56	-	-	44,571.40	44,571.40
Subordinated debts	3,630.29	-	3,725.52	-	3,725.52
	216,690.49	-	90,894.07	126,120.80	217,014.87

*fair value computed using discounted cash flow method.

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 BFL including risk, treasury and finance. BFL has an established procedure governing valuation which ensures fair values are in compliance with accounting standards.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**3. Quantitative disclosures** (Contd.)**Valuation techniques used to determine fair value**

Fair values of financial assets, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- 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 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 has determined that the carrying values 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 are a reasonable approximation of their fair value and hence their carrying values are deemed to be fair values. These are classified as Level 3 fair value hierarchy due to inclusion of unobservable inputs including counterparty credit risk.

Notes to consolidated financial statements for the year ended 31 March 2024 (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
As at 31 March 2024								
Financial assets								
Financial assets measured at fair value								
Investments								
Government securities	6,518.80	22,012.86	16,673.40	-	45,205.06	45,205.06	-	-
Debt securities	1,966.38	7,212.12	8,085.15	-	17,263.65	17,263.65	-	-
Equity instruments	42,657.31	-	895.44	-	43,552.75	43,354.88	196.11	1.76
Others (AT1)	211.85	-	-	-	211.85	211.85	-	-
Financial assets not measured at fair value #								
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			
Trade receivables	-	-	-	627.46	627.46			
Loans	-	-	-	636.93	636.93			
Reinsurance assets	-	-	-	536.12	536.12			
Other financial assets	-	-	-	1,825.14	1,825.14			
Derivative financial instruments	563.33	-	-	-	563.33	-	563.33	-
Total financial assets	51,917.67	29,224.98	25,653.99	8,450.62	115,247.26	106,035.44	759.44	1.76
Financial liabilities #								
Trade payables	-	-	-	2,323.23	2,323.23			
Deposits	-	-	-	4.86	4.86			
Lease obligation	-	-	-	138.23	138.23			
Derivative financial instruments	4.00	-	-	-	4.00	-	4.00	-
Total financial liabilities	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 2024 (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
As at 31 March 2023								
Financial assets								
Financial assets measured at fair value								
Investments								
Government securities	6,006.80	19,200.28	12,801.38	-	38,008.46	38,008.46	-	-
Debt securities	2,145.37	6,585.89	6,858.00	-	15,589.26	15,589.26	-	-
Equity instruments	31,230.19	-	743.81	-	31,974.00	31,652.34	319.95	1.71
Others (AT1)	105.43	-	-	-	105.43	105.43	-	-
Financial assets not measured at fair value #								
Investments								
Fixed deposits-long-term	-	-	-	1,226.03	1,226.03			
TREPs (Tri-party repo)	-	-	-	2,994.78	2,994.78			
Cash and cash equivalents	-	-	-	228.50	228.50			
Bank balances other than cash and cash equivalents	-	-	-	0.35	0.35		N/A	
Trade receivables	-	-	-	395.38	395.38			
Loans	-	-	-	584.28	584.28			
Reinsurance assets	-	-	-	308.51	308.51			
Other financial assets	-	-	-	1,325.10	1,325.10			
Derivative financial instruments	77.62	-	-	-	77.62	-	77.62	-
Total financial assets	39,565.41	25,786.17	20,403.19	7,062.93	92,817.70	85,355.49	397.57	1.71
Financial liabilities #								
Trade payables	-	-	-	2,110.46	2,110.46			
Deposits	-	-	-	4.86	4.86		N / A	
Lease obligation	-	-	-	107.61	107.61			
Derivative financial instruments	115.85	-	-	-	115.85	-	115.85	-
Total financial liabilities	115.85	-	-	2,222.93	2,338.78	-	115.85	-

BALIC 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 2024 (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

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

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).

There have been no transfers from Level 1 to Level 2 and vice versa.

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	
	2024	2023
Opening balance	1.71	1.71
Transfer to Level 2	-	-
Purchase	-	-
Net change in fair value (unrealised)	0.05	-
Closing balance	1.76	1.71

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 2024	As at 31 March 2023	Sensitivity	
				Favourable	Un-favourable
Unquoted equity shares	P/B multiple of peers	1.76	1.71	A positive change in a significant unobservable inputs by 10% will not change the fair value significantly	An adverse change in a significant unobservable inputs by 10% will not change the fair value significantly
Total		1.76	1.71		

Notes to consolidated financial statements for the year ended 31 March 2024 (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
As at 31 March 2024							
Investments							
Financial assets measured at fair value							
Government debt securities	-	18,340.93	-	18,340.93	18,340.93	-	-
Debt securities	-	7,578.66	-	7,578.66	7,578.66	-	-
Equity instruments	910.96	3,063.22	-	3,974.18	3,974.18	-	-
Fixed deposits	-	-	85.00	85.00	85.00	-	-
Mutual fund	240.31	-	-	240.31	240.31	-	-
Financial assets not measured at fair value#							
Cash and cash equivalents	-	-	998.73	998.73			
Bank balances other than cash and cash equivalents	-	-	31.20	31.20		N/A	
Trade receivables	-	-	3,490.81	3,490.81			
Other financial assets	-	-	810.69	810.69			
Total financial assets	1,151.27	28,982.81	5,416.43	35,550.51	30,219.08	-	-
Financial liabilities #							
Trade payables							
a) Total outstanding dues of MSME	-	-	22.22	22.22			
b) Other payables	-	-	2,970.33	2,970.33		N/A	
Other financial liabilities	-	-	819.85	819.85			
Lease contract liability	-	-	100.26	100.26			
Total financial liabilities	-	-	3,912.66	3,912.66	-	-	-

(₹ In Crore)

Particulars	Carrying amount				Fair value		
	Through P&L	Through OCI	Amortised cost	Total	Level 1	Level 2	Level 3
As at 31 March 2023							
Investments							
Financial assets measured at fair value							
Government debt securities	-	18,535.32	-	18,535.32	18,535.32	-	-
Debt securities	-	6,001.99	-	6,001.99	6,001.99	-	-
Equity instruments	577.14	1,440.79	-	2,017.93	1,996.95	-	20.98
Fixed deposits	-	-	31.00	31.00	31.00	-	-
Preference shares	32.96	-	-	32.96	32.96	-	-
Financial assets not measured at fair value							
Cash and cash equivalents	-	-	778.60	778.60			
Bank balances other than cash and cash equivalents	-	-	29.01	29.01		N/A	
Trade receivables	-	-	1,703.85	1,703.85			
Other financial assets	-	-	713.43	713.43			
Total financial assets	610.10	25,978.10	3,255.89	29,844.09	26,598.22	-	20.98
Financial liabilities							
Trade payables							
a) Total outstanding dues of MSME	-	-	25.25	25.25			
b) Other payables	-	-	2,111.59	2,111.59		N/A	
Other financial liabilities	-	-	314.96	314.96			
Lease Contract Liability	-	-	65.36	65.36			
Total financial liabilities	-	-	2,517.16	2,517.16	-	-	-

BAGIC 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 2024 (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"> inability to raise incremental borrowings and deposits to fund business requirement or repayment obligations when long-term assets cannot be funded at the expected term resulting in cashflow mismatches; Amidst volatile market conditions impacting sourcing of funds from banks and money markets. 	Board constituted Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	<p>Liquidity risk is:</p> <ul style="list-style-type: none"> measured by <ul style="list-style-type: none"> identification of gaps in the structural and dynamic liquidity. assessment of incremental borrowings required for meeting the repayment obligation, BFL's business plan and prevailing market conditions. liquidity coverage ratio (LCR) in accordance with guidelines issued by RBI and Board approved liquidity risk framework. monitored by <ul style="list-style-type: none"> assessment of the gap between visibility of funds and the near term liabilities given current liquidity conditions and evolving regulatory framework for NBFCs. a constant calibration of sources of funds in line with emerging market conditions in banking and money markets. 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. 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, assignment of loans and Contingency Funding Plan (CFP) to counter extreme liquidity situation under the guidance of ALCO and Board.

Notes to consolidated financial statements for the year ended 31 March 2024 (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 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"> 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. 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 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.
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"> 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. 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. 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.

(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, foreign market, public and other deposits and continues to diversify its sources of borrowings with an emphasis on longer tenor borrowings. This strategy of balancing varied sources of funds and long tenor borrowings along with liquidity buffer framework has helped BFL to maintain a healthy asset liability position and interest rate during FY 2023-24 (FY2024). The overall borrowings including debt securities, deposits and subordinated liabilities stood at ₹ 293,345.83 crore as of 31 March 2024 (previous year ₹ 216,690.49 crore). The weighted average cost of borrowing was 7.73% for FY2024 (previous year 7.04%).

BFL continuously monitors liquidity in the market; and as a part of its ALM strategy 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 in normal market scenario.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

4. Financial risk management and other disclosures (Contd.)

A. Bajaj Finance Ltd. (Contd.)

RBI vide circular No. RBI/2019-20/88 DOR.NBFC (PD) CC. No.102/03.10.001/2019-20 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 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 mandate maintaining prescribed coverage of expected net cash outflows for a stressed scenario in the form of high quality liquid assets (HQLA). At present, the LCR requirement is at 70% for BFL, which will move up in a phased manner to 85% from 1 December 2023 and 100% by 1 December 2024. For BHFL, the current LCR requirement is at 60% which will move up to 100% in phased manner by 1 December 2025. As of 31 March 2024, BFL and BHFL maintained a LCR of 168.91% and 192.31% 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

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	50,694.28	119,233.64	169,927.92	33,467.75	75,887.98	109,355.73
Borrowings (other than debt securities)	42,018.31	68,603.73	110,622.04	31,925.83	63,452.28	95,378.11
Deposits	29,808.17	38,278.22	68,086.39	22,925.20	27,015.23	49,940.43
Subordinated liabilities	752.05	3,479.89	4,231.94	354.87	4,232.06	4,586.93
Trade payables	2,064.04	-	2,064.04	1,452.12	-	1,452.12
Other payables	764.58	-	764.58	639.32	-	639.32
Other financial liabilities	1,106.09	984.82	2,090.91	902.89	518.10	1,420.99
Total	127,207.52	230,580.30	357,787.82	91,667.98	171,105.65	262,773.63

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	4,034.51	-	4,034.51	1,550.75	-	1,550.75
Earmarked balances with banks	4,262.41	2,327.09	6,589.50	1,481.46	1,272.31	2,753.77
Derivative financial instruments	16.18	11.66	27.84	148.88	-	148.88
Trade receivables	1,623.92	109.57	1,733.49	1,299.72	-	1,299.72
Loans	101,324.01	224,969.31	326,293.32	76,295.34	165,973.59	242,268.93
Investments	24,419.99	6,460.66	30,880.65	18,189.57	4,562.27	22,751.84
Other financial assets	1,222.81	209.07	1,431.88	643.68	175.96	819.64
Non-financial assets						
Current tax assets (net)	-	290.92	290.92	-	181.43	181.43
Deferred tax assets (net)	-	1,017.43	1,017.43	-	937.09	937.09
Property, plant and equipment	-	2,358.32	2,358.32	-	1,676.57	1,676.57
Capital work-in-progress	-	25.35	25.35	-	14.60	14.60
Intangible assets under development	-	18.11	18.11	-	65.24	65.24
Goodwill	-	3.27	3.27	-	3.27	3.27
Other intangible assets	-	888.31	888.31	-	627.78	627.78
Other non-financial assets	109.77	38.95	148.72	89.05	40.11	129.16
Total	137,013.60	238,728.02	375,741.62	99,698.45	175,530.22	275,228.67
LIABILITIES						
Financial liabilities						
Derivative financial instruments	2.12	-	2.12	4.01	-	4.01
Trade payables	2,064.04	-	2,064.04	1,452.12	-	1,452.12
Other payables	764.58	-	764.58	639.32	-	639.32
Debt securities	44,015.15	73,984.39	117,999.54	30,453.73	56,391.51	86,845.24
Borrowings (other than debt securities)	38,282.90	73,334.57	111,617.47	27,403.30	54,146.10	81,549.40
Deposits	27,831.73	32,319.19	60,150.92	21,137.90	23,527.66	44,665.56
Subordinated liabilities	635.10	2,942.80	3,577.90	238.05	3,392.24	3,630.29
Other financial liabilities	1,089.32	755.07	1,844.39	915.39	393.90	1,309.29
Non-financial liabilities						
Current tax liabilities (net)	108.64	-	108.64	139.21	-	139.21
Provisions	28.47	393.42	421.89	22.99	247.45	270.44
Other non-financial liabilities	471.09	23.69	494.78	315.24	36.57	351.81
Total	115,293.14	183,753.13	299,046.27	82,721.26	138,135.43	220,856.69

Notes to consolidated financial statements for the year ended 31 March 2024 (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, equity prices and credit spreads on investment and borrowings.

(c) Interest rate risk

On investment book other than equity

BFL manages the duration of its investment portfolio with an objective to optimise the return with minimal possible fair value change impact. The interest rate risk on the investment portfolio and corresponding fair value change impact is monitored using VaR, PV01 and modified duration and other parameters as defined in its Board approved investment and market risk policy.

Sensitivity analysis as at 31 March 2024

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1 % increase	1 % decrease
Investments at amortised cost	355.46	357.55	(5.77)	5.94
Investments at FVTPL	4,969.85	4,969.85	(50.75)	50.75
Investments at FVTOCI (other than equity)	24,383.81	24,383.81	(467.08)	467.08

Sensitivity analysis as at 31 March 2023

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1 % increase	1 % decrease
Investments at amortised cost	128.59	129.45	(3.09)	3.20
Investments at FVTPL	6,575.79	6,575.79	(14.31)	14.31
Investments at FVTOCI (other than equity)	15,302.57	15,302.57	(152.85)	152.85

On assets and liabilities

Interest rate sensitivity on fixed and floating rate assets and liabilities with differing maturity profiles is measured by using the duration gap analysis and Market Value of Equity (MVE) and net interest income analysis. The same is monitored monthly by ALCO.

Sensitivity analysis as at 31 March 2024

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1 % increase	1 % decrease
Loans	326,293.32	325,443.11	(2,689.52)	2,773.92
Debt securities	117,999.54	118,395.03	1,784.51	(1,921.76)
Borrowings (other than debt securities)	111,617.47	111,617.47	-	-
Deposits	60,150.92	60,199.94	816.84	(841.34)
Subordinated liabilities	3,577.90	3,621.87	65.98	(68.08)

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**A. Bajaj Finance Ltd.** (Contd.)**Sensitivity analysis as at 31 March 2023**

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1 % increase	1 % decrease
Loans	242,268.93	241,855.01	(1,968.35)	2,027.46
Debt securities	86,845.24	87,168.55	1,153.68	(1,239.11)
Borrowings (other than debt securities)	81,549.40	81,549.40	-	-
Deposits	44,665.56	44,571.40	587.91	(605.24)
Subordinated liabilities	3,630.29	3,725.52	93.47	(97.22)

(d) 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).

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)
Derivative financial instrument (future and options)	0.05	0.05	0.01	(0.01)

Sensitivity analysis as at 31 March 2023

(₹ In Crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			10% increase	10% decrease
Investment in equity shares (quoted)	215.62	215.62	21.56	(21.56)
Derivative financial instrument (future and options)	3.48	3.48	0.35	(0.35)

(e) 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 its ECB exposure (Principal & Coupon). As a matter of prudence, BFL has hedged the entire ECB exposure for the full tenure as per Board approved interest rate risk, currency risk and hedging policy.

BFL evaluates the foreign currency exchange rates, tenure of ECB and its fully hedged costs for raising ECB. BFL manages its currency risks by entering into over the counter (OTC) derivatives contracts as hedge positions and the same are being governed through the Board approved 'Interest rate risk, currency risk and hedging policy'.

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2024	As at 31 March 2023
	USD	USD
Hedged		
ECB	(6,015.79)	(1,299.50)
Derivative financial instrument*	6,015.79	1,299.50
Unhedged	-	-

*represents the notional amount of the derivative financial instrument

(f) 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.

Impact of hedge on the Balance Sheet

As at 31 March 2024

Particulars	Notional amount	(₹ In Crore)	
		Carrying amount of hedging instrument asset	Carrying amount of hedging instrument 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	130.42	0.49	0.44

As at 31 March 2023

Particulars	Notional amount	(₹ In Crore)	
		Carrying amount of hedging instrument asset	Carrying amount of hedging instrument liability
INR USD CCIRS	1,299.50	146.98	-
INR Interest rate Swap	100.00	1.37	-
INR Future and Options	338.37	0.53	4.01

(g) Credit risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

4. Financial risk management and other disclosures (Contd.)

A. Bajaj Finance Ltd. (Contd.)

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 instrument'. 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 do 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 Audit Committee and the Board.

BFL follows simplified ECL approach under Ind AS 109 'Financial Instruments' for trade receivables, pass through certificates ('PTC') and other financial assets.

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					
Two and three wheeler finance	Two and three wheeler financing					
Urban B2C	Personal loans to salaried and self employed individuals	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 at time of default to the opening outstanding 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.
SME lending	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 and gold loans					
Mortgages	Home loans, loans against property, developer finance and lease rental discounting	Use of statistical automatic interaction detector tools to identify PDs across a homogenous set of customers, and also basis DPD bucket approach for retail loans and management evaluation/judgment for wholesale loans.		100%		

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

4. Financial risk management and other disclosures (Contd.)

A. Bajaj Finance Ltd. (Contd.)

Lending verticals	Nature of businesses	PD			EAD	LGD
		Stage 1	Stage 2	Stage 3		
Gold loans	Loans with underlying security as gold	Determined basis empirical risk performance			Determined basis empirical risk performance	Assumption based
Car loans	New and used car financing	Determined basis empirical risk performance for user car financing and proxy PDs for new cars owing to low vintage of the portfolio.			Determined basis empirical risk performance	Proxy from two wheeler finance portfolio
Loans against securities	Loans against shares, mutual funds, deposits and insurance policies	Determined basis empirical risk performance			100%	Determined basis empirical risk performance
Commercial lending	Lending to auto component manufacturers, light engineering industry, financial institutions, specialty chemical, pharma, packaging and other mid-market companies.	Internal evaluation/judgment applied at customer or industry segment.			100%	Based on estimates of cash flows

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 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	126,087.27	2,106.06	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%

As at 31 March 2023

(₹ In Crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	139,973.06	1,627.61	1,236.82	101,316.90	1,405.30	1,075.99
Allowance for ECL	691.31	357.38	667.56	1,265.95	575.91	808.64
ECL coverage ratio	0.49%	21.96%	53.97%	1.25%	40.98%	75.15%

(h) 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.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**A. Bajaj Finance Ltd.** (Contd.)**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 product e.g. used car and medical equipment etc.
Mortgages	Equitable mortgage of residential and commercial properties.
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 customers. 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 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

To secure its eligible pool, BFL takes guarantee cover for its portfolios across B2C, MSME and three-wheeler financing business under Credit Guarantee Fund Scheme for NBFCs (CGS-II) from Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) governed by the SIDBI. As on 31 March 2024, BFL has covered ₹ 14,094 crore of its loan assets under this scheme. This has helped BFL to offset ₹ 307 crore worth of credit losses during the current year with further claims maturing over FY2024 and FY2025.

Further, BFL has also granted loans under RBI's Emergency Credit Line Guarantee Scheme (ECLGS) to its qualifying customers, as of 31 March 2024 ₹ 210 crore of loans are outstanding under ECLGS.

Additionally in FY2024, BFL has also registered itself with Credit Guarantee Fund for Micro Units (CGMFU) governed by National Credit Guarantee Trustee Company Ltd. (NCGTC) for seeking guarantee cover for its self employed customers with exposure up to a specified amount. As on 31 March 2024, BFL covered ₹ 244 crore of its loan assets under this scheme.

(i) Analysis of concentration risk

BFL focuses on granularisation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across all categories of lending portfolio.

46 Other disclosures (Contd.)

4. Financial risk management and other disclosures (Contd.)

A. Bajaj Finance Ltd. (Contd.)

(j) 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 observed default rates 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 loss trends and basis their linkage with Company'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 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.

For Unemployment, BFL has considered data published by a leading business information(BI) company engaged in monitoring of Indian economic indicators.

In FY2024, Unemployment rate over the quarters has been oscillating around 8.1% versus pre Covid levels of around 7%, indicating normalisation towards its pre Covid levels.

- While formulating the Central Scenario for the year end, BFL has considered current unemployment rate as a quarterly average of 7.2% which may move towards an average of 7.5% 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 11.8%. However, as per mean reversion approach, the downside scenario assumes it to fall from the peak and normalise to around 7.5% within next three 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 3.1% by the end of June 2025 but may come back to a historical average of 7.5%.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**A. Bajaj Finance Ltd.** (Contd.)

For real GDP growth, BFL has chosen to follow the RBI predictions. The real GDP growth for Q3 2024 is at 8.4% y-o-y. This was not only defying consensus expectations of 6.6% y-o-y, but also stood at a six-quarter high.

- Considering the overall movements in GDP and the upcoming general elections, BFL has chosen to stick to the RBI projected real GDP forecast of 7% y-o-y in the Central Scenario. The expectation for Real GDP is to moderate to 6.06% over a 3-year period.
- For the downside scenario, BFL considers that the risk may continue due to various uncertainties (geopolitical conflict, elections etc.), and therefore assumes the GDP growth to reduce to 3.26% in Q2 FY2025, which is aligned to the lowest pre Covid GDP growth levels. Real GDP growth is subsequently expected to normalise to around 6.06% within next three years.
- For the upside scenario, an optimistic GDP estimate of 10% has been considered for Q1FY25, which is aligned to the highest pre Covid GDP growth levels, before averaging back to 6.06% over three years.

Additionally, 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/external environment as at the date of the financial statements. To reflect this, qualitative adjustments or overlays are made as temporary adjustments to reflect the emerging risks reasonably.

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Gross carrying amount of loans	331,334.35	246,635.68
Reported ECL	5,041.03	4,366.75
Reported ECL coverage	1.52%	1.77%
Assumptions for central scenario		
Base ECL without macro overlay (based on empirical evidences)	4,741.03	3,406.74
Add: Management overlay	144.00	797.00
ECL before management overlay for macro economic factors	4,885.03	4,203.74
ECL amounts for alternate scenario		
Central scenario (80%)	5,043.66	4,352.44
Downside scenario (10%)	5,543.48	5,437.38
Upside scenario (10%)	4,517.55	3,410.46
Reported ECL	5,041.03	4,366.74
Management and Macro economic overlay		
Management overlay	144.00	797.00
Management overlay for macro economic factors	156.00	163.00
ECL coverage ratios by scenario		
Central scenario (80%)	1.52%	1.76%
Downside scenario (10%)	1.67%	2.20%
Upside scenario (10%)	1.36%	1.38%

46 Other disclosures (Contd.)

4. Financial risk management and other disclosures (Contd.)

B. Bajaj Allianz General Insurance Co. 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 & monitoring which further includes a. Risk Identification, b. Risk Assessment & Control, c. Risk Treatment & Management Action Plan and d. Monitoring & Reviewing; e. Recording & reporting; f. Communication & consult and
- (ii) Risk controls & compliance which includes a. Standard Operating Procedures, b. Internal Audit, c. External Audits, and d. Periodic Risk Management Review.

(ii) Risk measurement 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 premium 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 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**B. Bajaj Allianz General Insurance Co. 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 & prevention mechanisms and proactive deterrence methodologies are in place. Periodical employee training and awareness campaigns are being organised across BAGIC.

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
31 March 2024					
Average claim cost or number of claims	+10%	1,294.41	655.59	(655.59)	(490.59)
Average claim cost and number of claims	+5%	1,326.77	671.98	(671.98)	(502.86)
Average claim cost or number of claims	-10%	(1,294.41)	(655.59)	655.59	490.59
Average claim cost and number of claims	-5%	(1,262.05)	(639.20)	639.20	478.33

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 2024 (Contd.)

46 Other disclosures (Contd.)

4. Financial risk management and other disclosures (Contd.)

B. Bajaj Allianz General Insurance Co. 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 349% as against the regulatory norm of 150%.

The table below summarises the expected utilisation or settlement of assets and liabilities

31 March 2024

	(₹ In Crore)					
Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
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
Total	5,327.75	928.57	3,532.66	10,553.67	15,207.87	35,550.52
Financial liabilities						
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
Total	-	3,817.82	16.69	66.59	11.56	3,912.66

31 March 2023

	(₹ In Crore)					
Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Cash and cash equivalents	778.60	-	-	-	-	778.60
Bank balances other than cash and cash equivalents	-	-	29.01	-	-	29.01
Trade receivables	-	-	1,703.85	-	-	1,703.85
Investments	2,017.93	289.10	12,271.78	1,294.26	10,746.13	26,619.19
Other financial assets	-	713.43	-	-	-	713.43
Total	2,796.53	1,002.53	14,004.64	1,294.26	10,746.13	29,844.08
Financial liabilities						
Trade payables						
a) Total outstanding dues of MSME	-	25.25	-	-	-	25.25
b) Other payables	-	2,111.59	-	-	-	2,111.59
Other financial liabilities	-	314.96	-	-	-	314.96
Lease contract liabilities	-	5.23	13.11	34.71	12.31	65.36
Total	-	2,457.03	13.11	34.71	12.31	2,517.16

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**B. Bajaj Allianz General Insurance Co. 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	31 March 2024			31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	1,028.26	-	1,028.26	778.60	-	778.60
Bank balances other than cash and cash equivalents	1.67	-	1.67	29.01	-	29.01
Trade receivables	3,490.81	-	3,490.81	1,703.85	-	1,703.85
Investments	4,457.55	25,761.53	30,219.08	14,578.81	12,040.39	26,619.20
Other financial assets	810.69	-	810.69	713.43	-	713.43
Non financial assets						
Current tax assets (net)	-	69.75	69.75	-	80.29	80.29
Deferred tax assets (net)	-	-	-	85.33	-	85.33
Property, plant and equipment	-	395.98	395.98	-	380.73	380.73
Capital work in progress	-	31.35	31.35	-	23.42	23.42
Intangible assets (other than goodwill)	-	53.11	53.11	-	45.31	45.31
Other non-financial assets	681.39	6.28	687.67	507.08	6.28	513.36
Re-insurance assets	7,021.31	3,827.40	10,848.71	3,459.83	4,071.12	7,530.95
Right to use asset	22.09	63.01	85.10	15.51	33.52	49.03
Total	17,513.77	30,208.41	47,722.18	21,871.45	16,681.06	38,552.51
Liabilities						
Financial liabilities						
Trade payables						
a) Total outstanding dues of MSME	22.22	-	22.22	25.25	-	25.25
b) Other payables	2,970.33	-	2,970.33	2,111.59	-	2,111.59
Other financial liabilities	819.85	-	819.85	314.95	-	314.95
Lease contract liabilities	22.11	78.15	100.26	18.34	47.02	65.36
Insurance contract liabilities	13,191.12	16,072.21	29,263.33	11,103.57	13,065.45	24,169.02
Non financial liabilities						
Provisions	20.22	-	20.22	17.68	-	17.68
Deferred tax liabilities (net)	-	118.31	118.31	-	-	-
Other non-financial liabilities	2,578.21	515.93	3,094.14	1,891.27	515.93	2,407.20
Total	19,624.06	16,784.60	36,408.66	15,482.65	13,628.40	29,111.05
Net	(2,110.29)	13,423.81	11,313.52	6,388.80	3,052.66	9,441.46

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

4. Financial risk management and other disclosures (Contd.)

B. Bajaj Allianz General Insurance Co. 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 issuers. 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 form 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 and analysis of credit quality of financial assets at amortised cost and FVTOCI.

(₹ In Crore)

Ratings	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	FVTOCI	Total	Amortised cost	FVTOCI	Total
A-	-	71.98	71.98	-	70.99	70.99
A+	-	48.97	48.97	-	48.00	48.00
A1+	-	-	-	-	428.38	428.38
AA	-	25.16	25.16	-	52.21	52.21
AA(SO)	-	49.92	49.92	-	25.34	25.34
AA+	-	-	-	-	-	-
AAA	85.00	7,923.45	8,008.45	31.00	5,892.43	5,923.43
AAA(SO)	-	-	-	-	-	-
BBB+	-	-	-	-	-	-
BBB	-	-	-	-	-	-
D	-	-	-	-	-	-
Equity	-	3,063.22	3,063.22	-	1,440.79	1,440.79
Sovereign	-	17,800.21	17,800.21	-	18,020.08	18,020.08
Unrated	-	-	-	-	-	-
Total	85.00	28,982.91	29,067.91	31.00	25,978.22	26,009.22
ECL (12 months and life time)	-	(0.08)	(0.08)	-	(0.11)	(0.11)
Net carrying amount	85.00	28,982.83	29,067.83	31.00	25,978.11	26,009.11

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**B. Bajaj Allianz General Insurance Co. 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.

(₹ In Crore)

Ratings	As at 31 March 2024			As at 31 March 2023		
	Amortised cost	FVTOCI	Total	Amortised cost	FVTOCI	Total
Opening balance	-	0.11	0.11	-	0.20	0.20
Changes during the current period	-	-	-	-	-	-
Loss allowance at 12-month ECL	-	(0.03)	(0.03)	-	(0.09)	(0.09)
Loss allowance at life time ECL	-	-	-	-	-	-
For credit impaired instruments	-	-	-	-	-	-
For not credit impaired instruments	-	-	-	-	-	-
Closing balance	-	0.08	0.08	-	0.11	0.11

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. BAGIC has no exposures to any financial options and guarantees that are embedded in contracts.

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 the Executive Risk Management Committee (ERMC). There are then the various lines of defences which include the heads of each department which act as a self-defence mechanism through the internal financial control and compliance certification framework.

Internal audit, risk, fraud and compliance teams act as the next line of defence finally followed by statutory and concurrent auditors which act as the final line of defence.

Notes to consolidated financial statements for the year ended 31 March 2024 (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 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 BALIC. BALIC monitors changes in credit risk by tracking published external credit ratings.

The following table presents and 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 2024			As at 31 March 2023		
	FVTOCI	Amortised cost	Total	FVTOCI	Amortised cost	Total
12-months ECL						
Highly rated including AAA [#]	24,363.39	4,277.46	28,640.85	19,528.25	4,190.84	23,719.09
AA and below	395.52	-	395.52	131.14	30.01	161.15
Financial assets other than investments	-	3,644.15	3,644.15	-	2,533.61	2,533.61
Total (a)	24,758.91	7,921.61	32,680.52	19,659.39	6,754.46	26,413.85
ECL (12 months and life time)	(0.36)	(7.11)	(7.47)	(0.32)	(6.52)	(6.84)
Net carrying amount (b)	24,758.55	7,914.50	32,673.05	19,659.07	6,747.94	26,407.01

[#] Includes investments in Government securities and treasury bill.

Reconciliation of credit loss

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTOCI	Amortised cost	Total	FVTOCI	Amortised cost	Total
Opening balance	0.32	6.52	6.84	0.23	5.44	5.67
Less: ECL reversal on asset written off	-	-	-	-	-	-
Changes during the current period						
Loss allowance at 12-month ECL	0.04	0.59	0.63	0.09	1.08	1.17
Loss allowance at life time ECL	-	-	-	-	-	-
Closing balance	0.36	7.11	7.47	0.32	6.52	6.84

Notes to consolidated financial statements for the year ended 31 March 2024 (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. The risk is mitigated by, asset liability matching methodology that develops optimal asset portfolio maturity structures to ensure cash flows are sufficient to meet liabilities. 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.

The table below summarises the expected utilisation or settlement of assets and liabilities.

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
Financial assets						
Investments						
Amortised cost	-	2,842.52	333.78	1,101.13	-	4,277.43
FVTPL	51,354.34	-	-	-	-	51,354.34
Designated as FVTPL	-	-	276.16	6,054.68	22,894.14	29,224.98
FVTOCI	895.44	81.33	297.56	5,108.64	19,271.02	25,653.99
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	-	1,126.22	516.64	177.50	4.79	1,825.15
Derivative financial instruments	-	18.88	108.32	361.81	74.32	563.33
	52,796.94	4,704.84	1,566.01	13,035.10	43,144.39	115,247.28
Financial liabilities						
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

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2023

(₹ In Crore)

Particulars	On demand	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Financial assets						
Investments						
Amortised cost	-	3,070.31	129.88	1,020.62	-	4,220.81
FVTPL	39,487.79	-	-	-	-	39,487.79
Designated as FVTPL	-	10.03	370.55	4,544.76	20,860.83	25,786.17
FVTOCI	743.81	243.59	554.71	3,327.65	15,533.43	20,403.19
Cash and cash equivalents	228.50		-	-	-	228.50
Bank balances other than cash and cash equivalents	-	-	-	0.35	-	0.35
Trade receivables	-	395.38	-	-	-	395.38
Loans	-	-	0.05	191.75	392.48	584.28
Reinsurance assets	-	8.76	25.11	102.10	172.54	308.51
Other financial assets	-	577.94	690.90	51.77	4.50	1,325.11
Derivative financial instruments	-	6.43	14.20	50.16	6.83	77.62
	40,460.10	4,312.44	1,785.40	9,289.16	36,970.61	92,817.71
Financial liabilities						
Trade payables	-	2,110.46	-	-	-	2,110.46
Lease obligations	-	5.12	14.69	66.19	21.60	107.60
Deposits	-	-	-	4.86	-	4.86
Derivative financial instruments	-	6.94	13.00	42.67	53.25	115.86
	-	2,122.52	27.69	113.72	74.85	2,338.78

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 2024 (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 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
ASSETS						
Financial assets						
Cash and cash equivalents	547.16	-	547.16	228.50	-	228.50
Bank balances other than cash and cash equivalents	-	0.38	0.38	-	0.35	0.35
Trade receivables	627.46	-	627.46	395.38	-	395.38
Loans	35.72	601.21	636.93	0.05	584.23	584.28
Investments	56,081.12	54,429.62	110,510.74	44,610.67	45,287.29	89,897.96
Derivative financial instruments	127.20	436.13	563.33	20.63	56.99	77.62
Reinsurance assets	6.25	529.87	536.12	33.86	274.65	308.51
Other financial assets	1,642.85	182.29	1,825.14	1,268.83	56.27	1,325.10
Non financial assets						
Investment property	-	23.96	23.96	-	29.74	29.74
Property, plant and equipment	-	379.19	379.19	-	331.99	331.99
Capital work-in-progress	-	19.68	19.68	-	19.73	19.73
Intangible assets under development	-	117.60	117.60	-	73.52	73.52
Intangible assets (other than goodwill)	-	11.03	11.03	-	12.43	12.43
Right to use of asset	-	119.10	119.10	-	90.55	90.55
Other non financial assets	297.53	-	297.53	317.52	-	317.52
Total	59,365.29	56,850.06	116,215.35	46,875.44	46,817.74	93,693.18
LIABILITIES						
Financial liabilities						
Trade payables						
(i) Total outstanding dues of micro enterprises and small enterprises	4.89	-	4.89	3.84	-	3.84
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,218.23	-	1,218.23	1,556.63	-	1,556.63
Other payables						-
(i) Total outstanding dues of other than micro enterprises and small enterprises	1,100.11	-	1,100.11	549.99	-	549.99
Derivative financial instruments	0.83	3.18	4.01	19.94	95.91	115.85
Deposits	-	4.86	4.86	-	4.86	4.86
Lease obligation	23.73	114.50	138.23	19.81	87.80	107.61
Investment contract liabilities	8,591.58	2,785.81	11,377.39	9,600.59	196.73	9,797.32
Insurance contract liabilities	7,942.51	81,074.23	89,016.74	12,904.29	57,028.36	69,932.65
Non financial liabilities						
Current tax liabilities (net)	301.42	-	301.42	229.97	-	229.97
Provisions	24.25	21.80	46.05	16.74	11.24	27.98
Deferred tax liabilities (net)	392.23	-	392.23	103.49	-	103.49
Other non financial liabilities	500.92	-	500.92	517.82	-	517.82
Total	20,100.70	84,004.38	104,105.08	25,523.11	57,424.90	82,948.01

Notes to consolidated financial statements for the year ended 31 March 2024 (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 parameters. 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, 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 profit 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 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)
For the year ended 31 March 2023					
Interest rate	50 bps up	(471.92)	(403.21)	(166.63)	(142.37)
	50 bps fall	471.92	403.21	166.63	142.37
Nifty 50	5% rise	21.36	18.25	88.32	75.46
	5% fall	(21.36)	(18.25)	(88.32)	(75.46)

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**C. Bajaj Allianz Life Insurance Company Ltd. (BALIC)** (Contd.)**g. Insurance risk**

The principal risk 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.

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 known as MAD (margin for adverse deviation). BALIC keeps adequate MAD, 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 2024 (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 profit 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. An increase in investment return could lead to an increase in the profit 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 premium 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 profit 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 profit for the shareholders.

v. Lapse, surrender and partial withdrawal rates

Lapses relate to the termination of policies due to non-payment of premium. 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 profit 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 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Mortality rates	200% of IALM 2012-14	90% - 250 % of IALM 2012-14	43.75% - 380% of IALM 2012-14	28% - 515% of IALM 2012-14
Investment returns	7.09%	7.31%	5.25% - 7.1%	5.25% - 7.1%
Lapse	PY1: 13%, PY2: 12%, PY3+: 0.5%	PY1: 10%-35%, PY2: 12%-15%, PY3+: 0%-1%	PY1: 3%-38%, PY2: 3%-19%, PY3+: 0.5%-10%	PY1: 7.5% - 56%, PY2: 5%-30%, PY3+: 0% - 20%

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**4. Financial risk management and other disclosures** (Contd.)**C. Bajaj Allianz Life Insurance Company Ltd. (BALIC)** (Contd.)**h. 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	
	2024	2023	2024	2023
Mortality/longevity +10%	99.68	86.79	311.21	277.00
Mortality/longevity -10%	(135.59)	(87.23)	(309.31)	(256.02)
Expense +10%	56.96	51.57	68.71	57.03
Expense -10%	(51.12)	(51.00)	(68.23)	(56.65)
Lapse & surrenders + 10%	(83.36)	(42.79)	(325.80)	(229.95)
Lapse & surrenders - 10%	91.86	44.20	345.26	248.22
Discount rate +1%	(2,112.08)	(1,559.43)	(3,516.37)	(2,171.94)
Discount rate -1%	2,520.87	1,845.11	5,232.68	3,399.96

5. Loans under financing activity (before inter-company eliminations)

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
A. Loans						
Term loans	272,820.72	58,037.30	330,858.02	198,899.93	47,482.45	246,382.38
Credit substitutes#	476.33	-	476.33	253.30	-	253.30
Total	273,297.05	58,037.30	331,334.35	199,153.23	47,482.45	246,635.68
Less: Impairment loss allowance	4,713.65	327.38	5,041.03	3,997.97	368.78	4,366.75
Total (A)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
B. Out of above						
(I) Secured						
Against hypothecation of automobiles, equipments, durables and plant and machinery, equitable mortgage of immovable property and pledge of securities etc.	143,667.00	58,037.30	201,704.30	95,355.04	47,482.45	142,837.49
Less: Impairment loss allowance	1,420.82	327.38	1,748.20	1,347.47	368.78	1,716.25
Total (I)	142,246.18	57,709.92	199,956.10	94,007.57	47,113.67	141,121.24
(II) Unsecured	129,630.05	-	129,630.05	103,798.19	-	103,798.19
Less: Impairment loss allowance	3,292.83	-	3,292.83	2,650.50	-	2,650.50
Total (II)	126,337.22	-	126,337.22	101,147.69	-	101,147.69
Total (B) = (I + II)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

5. Loans under financing activity (before inter-company eliminations) (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	At amortised cost	At fair value through OCI	Total	At amortised cost	At fair value through OCI	Total
C. Out of above						
(I) Loans in India						
(i) Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Sub-total (i)	-	-	-	-	-	-
(ii) Others	273,297.05	58,037.30	331,334.35	199,153.23	47,482.45	246,635.68
Less: Impairment loss allowance	4,713.65	327.38	5,041.03	3,997.97	368.78	4,366.75
Sub-total (ii)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
Total (I)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93
(II) Loans outside India	-	-	-	-	-	-
Total (C) = (I+II)	268,583.40	57,709.92	326,293.32	195,155.26	47,113.67	242,268.93

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	
	2024	2023
Term loan	333,778.31	248,962.24
Less: EIR impact	2,443.96	2,326.56
Total for gross term loan net of EIR impact	331,334.35	246,635.68

Summary of loans by stage distribution

Term Loans

(₹ In Crore)

Particulars	As at 31 March 2024				As at 31 March 2023			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	324,507.43	4,010.94	2,815.98	331,334.35	241,289.96	3,032.91	2,312.81	246,635.68
Less: Impairment loss allowance	2,245.48	1,189.83	1,605.72	5,041.03	1,957.26	933.29	1,476.20	4,366.75
Total	322,261.95	2,821.11	1,210.26	326,293.32	239,332.70	2,099.62	836.61	242,268.93

Notes to consolidated financial statements for the year ended 31 March 2024 (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 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 year								
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 (repayments net of additional disbursements)	(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	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)
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

(₹ In Crore)

Particulars	For the year ended 31 March 2023							
	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 2022	188,833.91	1,506.76	3,860.64	1,079.41	3,133.49	1,818.62	195,828.04	4,404.79
Transfers during the period								
transfers to stage 1	783.51	133.62	(636.51)	(84.07)	(147.00)	(49.55)	-	-
transfers to stage 2	(1,913.29)	(57.68)	1,981.42	84.16	(68.13)	(26.48)	-	-
transfers to stage 3	(2,760.93)	(63.85)	(1,480.57)	(440.94)	4,241.50	504.79	-	-
	(3,890.71)	12.09	(135.66)	(440.85)	4,026.37	428.76	-	-
Impact of changes in credit risk on account of stage movements	-	(127.72)	-	546.48	-	3,774.97	-	4,193.73
Changes in opening credit exposures (repayments net of additional disbursements)	(78,987.33)	(125.10)	(1,277.20)	(456.86)	(2,104.85)	(1,633.04)	(82,369.38)	(2,215.00)
New credit exposures during the year, net of repayments	135,334.09	691.23	585.13	205.11	637.10	466.19	136,556.32	1,362.53
Amounts written off during the year	-	-	-	-	(3,379.30)	(3,379.30)	(3,379.30)	(3,379.30)
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

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

5. Loans under financing activity (before inter-company eliminations) (Contd.)

Details of impairment of financial instruments disclosed in the Statement of Profit and Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
(i) Net impairment loss allowance charge/(release) for the year	674.28	(38.04)
(ii) Amounts written off during the year	4,181.54	3,379.30
Impairment on loans	4,855.82	3,341.26
Less: Claimable/credit cover amount under Government guarantee schemes and other arrangements	307.15	200.74
Add: Impairment on other assets	82.03	49.13
Impairment on financial instruments	4,630.70	3,189.65

6. Debt securities - Terms of repayment (before inter-company eliminations)

Terms of repayment of non convertible debentures (NCDs) 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	
Original maturity of loan					
Redeemable at par					
Up to 2 years	2,000.00	1,300.00	-	-	3,300.00
Over 2 to 3 years	4,350.00	9,672.00	2,200.00	-	16,222.00
Over 3 to 4 years	5,485.00	7,495.00	1,925.00	395.00	15,300.00
Over 4 years	4,225.00	2,302.00	57.50	47,647.90	54,232.40
Redeemable at premium					
Over 2 to 3 years	-	-	-	-	-
Over 3 to 4 years	-	906.00	-	-	906.00
Interest accrued	3,159.77	134.59	-	-	3,294.36
Impact of EIR (including premium and discount on NCD)					(71.65)
Fair value gain/loss on NCD hedged through interest rate swap					(13.09)
Total					93,170.02

-Interest rate ranges from 5.00% p.a to 9.36% p.a as at 31 March 2024

-Amount to be called and paid is ₹ 350 crore each in May 2024, May 2025 and June 2026

-Amount to be called and paid is ₹ 105 crore in Jan 2025 and ₹ 120 crore in Jan 2026

-Amount to be called and paid is ₹ 147 crore in Mar 2025 and ₹ 168 crore in Mar 2026

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**6. Debt securities - Terms of repayment (before inter-company eliminations)** (Contd.)**Terms of repayment of non convertible debentures (NCDs) as at 31 March 2023**

(₹ 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	
Original maturity of loan					
Redeemable at par					
Up to 2 years	9,390.00	2,000.00	-	-	11,390.00
Over 2 to 3 years	3,400.00	5,335.00	5,860.00	-	14,595.00
Over 3 to 4 years	270.00	4,500.00	5,820.00	-	10,590.00
Over 4 years	1,981.00	4,225.00	2,302.00	25,437.50	33,945.50
Redeemable at premium					
Over 2 to 3 years	950.00	-	-	-	950.00
Over 3 to 4 years	75.00	-	906.00	-	981.00
Interest accrued	2,412.89	13.33	64.92	-	2,491.14
Impact of EIR (including premium and discount on NCD)					(5.89)
Fair value gain/(loss) on NCD hedged through interest rate swap					1.39
Total					74,938.14

-Interest rate ranges from 4.90% to 9.36% as at 31 March 2023

-Amount to be called and paid is ₹ 350 crore each in June 2023, June 2024, June 2025 and June 2026

-Amount to be called and paid is ₹ 105 crore each in Jan 2024, Jan 2025 and ₹ 120 crore in Feb 2026

-Amount to be called and paid is ₹ 147 crore each in Mar 2024, Mar 2025 and ₹ 168 crore in Mar 2026

Terms of repayment of commercial papers

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Redeemable at par with original maturity up to 1 year		
Due within 1 year	24,750.39	11,877.14
Impact of EIR	79.13	29.85
Total	24,829.52	11,906.99

-Interest rate ranges 7.48% to 8.85% from p.a as at 31 March 2024 (Previous year 5.00% to 8.02% p.a)

-As at 31 March 2024, face value of commercial paper is ₹ 25,340 crore (Previous year ₹ 12,145 crore)

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2024

Particulars	Due within 1 year		Due 1-2 years		Due 2-3 years		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
Original maturity of loan										
Quarterly										
Up to 3 years	-	-	2	225.00	2	225.00	-	-	4	450.00
Over 3 to 4 years	42	2,025.00	28	1,125.00	20	846.88	6	281.25	96	4,268.13
Over 4 years	137	3,072.53	113	2,258.41	99	2,337.92	161	3,246.68	510	10,914.54
Half yearly										
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	212.5	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
Yearly										
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
On maturity (Bullet)										
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)
Total										79,258.27

-Interest rate ranges from 5.05 % p.a. to 9.20 % p.a. as at 31 March 2024

Terms of repayment of term loans from bank as at 31 March 2023

Particulars	Due within 1 year		Due 1-2 years		Due 2-3 years		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
Original maturity of loan										
Quarterly										
Up to 3 years	12	1,122.16	-	-	-	-	-	-	12	1,122.16
Over 3 to 4 years	25	940.00	30	1,440.00	16	550.00	8	271.88	79	3,201.88
Over 4 years	158	4,137.04	119	2,624.16	89	1,769.37	157	3,636.37	523	12,166.94
Half yearly										
Up to 3 years	2	200.00	2	200.00	1	100.00	-	-	5	500.00
Over 3 to 4 years	8	517.86	10	851.18	8	708.32	8	708.36	34	2,785.72
Over 4 years	74	3,777.50	85	4,338.21	88	5,907.21	186	13,115.13	433	27,138.05
Yearly										
Over 3 to 4 years	7	928.75	5	806.25	-	-	-	-	12	1,735.00
Over 4 years	23	1,873.33	17	1,536.67	12	1,326.67	29	4,223.33	81	8,960.00
On maturity (Bullet)										
Up to 3 years	3	1,250.00	5	1,120.00	2	1,500.00	-	-	10	3,870.00
Over 3 to 4 years	-	-	3	2,400.00	1	499.74	-	-	4	2,899.74
Over 4 years	3	650.00	-	-	-	-	3	2,700.00	6	3,350.00
Interest accrued	-	5.90	-	-	-	-	-	-	-	5.90
Impact of EIR										(9.33)
Total										67,726.06

-Interest rate ranges from 5.05% to 9.02% as at 31 March 2023

Notes to consolidated financial statements for the year ended 31 March 2024 (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 Mar 2024		As at 31 Mar 2023	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
On maturity (Bullet)				
Up to 1 year	6	3,062.24	7	1,770.06
Interest accrued		0.65		0.14
Total		3,062.89		1,770.20

-Interest rate ranges from 7.10% p.a to 8.75% p.a as at 31 March 2024 (Previous year 7% p.a to 8.35% p.a)

Terms of repayment of TREPs

Particulars	As at 31 Mar 2024		As at 31 Mar 2023	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
On maturity (Bullet)				
Up to 1 year	35	15,758.96	20	8,145.36
Total	35	15,758.96	20	8,145.36

-Interest rate ranges from 6.26% p.a to 7.25% p.a as at 31 March 2024 (Previous year 6.76% p.a to 6.99% p.a)

Terms of repayment of term loan from NHB as at 31 March 2024

Particulars	Due within 1 year		Due 1-2 years		Due 2-3 years		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
Original maturity of loan										
Quarterly										
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										-
Total										6,837.59

-Interest rate ranges from 5.25 % p.a. to 8.25 % p.a. as at 31 March 2024

Terms of repayment of term loan from NHB as at 31 March 2023

Particulars	Due within 1 year		Due 1-2 years		Due 2-3 years		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
Original maturity of loan										
Quarterly										
More than 4 years	21	180.98	28	241.31	28	241.31	172	1,336.40	249	2,000.00
Interest accrued	-	-	-	-	-	-	-	-	-	-
Impact of EIR										-
Total										2,000.00

-Interest rate ranges from 5.52% to 7.55% as at 31 March 2023

Notes to consolidated financial statements for the year ended 31 March 2024 (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 Mar 2024		As at 31 Mar 2023	
	No. of instalments	₹ In Crore	No. of instalments	₹ In Crore
Due within 1 year				
Original maturity over 2 to 3 years	-	-	1	822.17
Original maturity over 3 years	-	-	1	616.63
Due within 2 to 3 year				
Original maturity over 2 to 3 years	5	3,543.39	-	-
Original maturity over 3 years	4	2,501.22	-	-
Interest Accrued		10.01		24.14
Impact of EIR		(36.17)		(1.49)
Total	9	6,018.45	2	1,461.45

-Contracted interest rate ranges from 5.96% p.a to 6.61% p.a as at 31 March 2024 (Previous year 5.33% p.a to 5.76% p.a)

-Interest rate ranges from 7.40% p.a to 8.11% p.a under cross currency interest rate swap (CCIRS) as at 31 March 2024 (Previous year 5.85% to 6.70% p.a)

8. Deposits - Terms of repayment

Terms of repayment of deposits as at 31 March 2024

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	
Original maturity of deposit					
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)
Total					60,150.92

Terms of repayment of deposits as at 31 March 2023

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	
Original maturity of deposit					
Up to 1 year	11,139.95	-	-	-	11,139.95
Over 1 to 2 years	5,453.75	3,402.69	-	-	8,856.44
Over 2 to 3 years	2,886.33	4,872.30	4,514.22	-	12,272.85
Over 3 years	846.82	1,381.17	2,982.35	5,855.16	11,065.50
Interest accrued	839.95	382.66	171.95	82.59	1,477.15
Impact of EIR					(146.33)
Total					44,665.56

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**9. Subordinated liabilities - Terms of repayment****Terms of repayment of subordinated liabilities 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	
Original maturity of loan					
Over 5 years	452.50	290.00	2,060.00	600.00	3,402.50
Interest accrued	183.48	-	-	-	183.48
Impact of EIR					(8.08)
Total					3,577.90

-Interest rate ranges from 8.05% to 10.15% p.a. as at 31 March 2024

Terms of repayment of subordinated liabilities as at 31 March 2023

(₹ 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	
Original maturity of loan					
Over 5 years	50.00	452.50	290.00	2,660.00	3,452.50
Interest accrued	188.08	-	-	-	188.08
Impact of EIR					(10.29)
Total					3,630.29

-Interest rate ranges from 8.05% to 10.15% p.a. as at 31 March 2023

10. Insurance contract liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Insurance contracts liabilities		
General insurance contract liabilities	29,263.33	24,169.02
Life insurance contract liabilities	86,880.53	68,259.47
Undistributed participating policyholders surplus	2,136.21	1,673.18
Total	118,280.07	94,101.67
Change in general insurance contract liabilities		
At the beginning of the period	24,169.02	21,254.68
Add: Premium earned	9,627.44	7,261.83
Less Premium written	(7,064.68)	(6,474.93)
Add: Claims incurred (including IBNR)	19,820.62	17,067.34
Less: Claim outstanding (including IBNR)	(17,289.07)	(14,939.90)
Total	29,263.33	24,169.02

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

10. Insurance contract liabilities (Contd.)

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	With DPF	Without DPF	Total	With DPF	Without DPF	Total
Change in life insurance contract liabilities						
At the beginning of the period	22,911.26	45,348.21	68,259.47	21,862.70	40,977.33	62,840.03
Add/(Less)						
Premium	4,881.49	16,203.04	21,084.53	3,780.20	13,527.66	17,307.86
Insurance liabilities released	(4,813.69)	(11,988.34)	(16,802.03)	(2,942.21)	(9,424.89)	(12,367.10)
Unwinding of discount rate	1,416.40	11,314.94	12,731.34	1,238.76	1,271.27	2,510.03
Others	1,443.72	163.50	1,607.22	(1,028.19)	(1,003.16)	(2,031.35)
Total	25,839.18	61,041.35	86,880.53	22,911.26	45,348.21	68,259.47
Undistributed participating policyholders surplus						
Opening balance	1,673.18	-	1,673.18	1,498.76	-	1,498.76
Amount utilised during the period	-	-	-	-	-	-
Amount credited during the period	463.03	-	463.03	174.42	-	174.42
Total	2,136.21	-	2,136.21	1,673.18	-	1,673.18

11. Investment contract liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Investment contract liabilities	11,377.39	9,797.32
	11,377.39	9,797.32
Reconciliation of investment contract liabilities		
At the beginning of the period	9,797.32	10,898.95
Additions		
Deposits	1,958.52	2,153.57
Interest credited to policyholders'	941.29	450.79
	2,899.81	2,604.36
Deductions		
Withdrawals	1,279.38	3,662.61
Fee income and other expenses	40.36	43.38
Others	-	-
	1,319.74	3,705.99
At the end of the period	11,377.39	9,797.32

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**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	
		2024	2023
Bajaj Finance Ltd.	India	51.34%	52.49%
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

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Accumulated balances of material non-controlling interest		
Bajaj Finance Ltd.	37,357.02	25,942.22
Bajaj Allianz General Insurance Company Ltd.	2,941.52	2,454.78
Bajaj Allianz Life Insurance Company Ltd.	3,148.67	2,793.74
Profit/(loss) allocated to material non-controlling interest		
Bajaj Finance Ltd.	6,928.07	5,461.89
Bajaj Allianz General Insurance Company Ltd.	358.88	295.76
Bajaj Allianz Life Insurance Company Ltd.	160.62	34.61

The summarised financial information of these subsidiaries are provided below. This information is based on amounts before inter-company eliminations.

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	54,969.49	27,241.87	27,355.11
Other income	13.02	57.41	318.02
Total income	54,982.51	27,299.28	27,673.13
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 contract 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
Total expenses	35,680.58	25,471.00	26,950.46

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

12. Material partly owned subsidiaries (Contd.)

(₹ In Crore)

Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Share of profit/(loss) from associate	7.64	-	-
Profit before tax	19,309.57	1,828.28	722.67
Tax expense	4,858.40	447.98	104.92
Profit for the year	14,451.17	1,380.30	617.75
Total comprehensive income	14,516.68	2,172.11	1,817.24
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 Statement of Profit and Loss for the year ended 31 March 2023

(₹ In Crore)

Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Revenue from operations	41,397.38	20,526.18	19,986.74
Other income	8.31	36.32	318.01
Total income	41,405.69	20,562.50	20,304.75
Employee benefits expenses	5,059.13	789.74	2,487.14
Finance costs	12,559.89	5.24	7.61
Fees and commission expense	1,891.47	1,046.15	1,314.74
Impairment on financial instruments	3,189.65	40.16	1.17
Claims incurred pertaining to insurance business	-	7,308.85	9,283.15
Reinsurance ceded	-	6,681.23	346.03
Net change in insurance/investment contract liabilities	-	1,236.94	5,391.07
Depreciation, amortisation and impairment	485.38	67.89	65.02
Other expenses	2,693.98	1,864.96	1,320.28
Total expenses	25,879.50	19,041.16	20,216.21
Share of profit/(loss) from associate	1.67	-	-
Profit before tax	15,527.86	1,521.34	88.54
Tax expense	4,020.17	383.84	(44.58)
Profit for the year	11,507.69	1,137.50	133.12
Total comprehensive income	11,484.85	734.53	(55.92)
Attributable to non-controlling interests	5,446.80	190.99	(14.54)
Dividends paid to non-controlling interests	575.23	28.09	81.89

Notes to consolidated financial statements for the year ended 31 March 2024 (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	370,948.57	46,399.22	115,247.26
Non-financial assets	5,067.45	1,322.97	968.09
Financial liabilities	298,020.96	3,912.66	13,847.71
Insurance contract 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
Attributable to			
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 Balance Sheet as at 31 March 2023

(₹ In Crore)

Particulars	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Financial assets	271,583.59	37,375.05	92,817.70
Non-financial assets	3,762.42	1,177.47	875.48
Financial liabilities	220,095.23	2,517.15	12,136.10
Insurance contract liabilities	-	24,169.02	69,932.65
Non-financial liabilities	761.51	2,424.88	879.26
Equity	54,489.27	9,441.47	10,745.17
Attributable to			
Equity holders of the parent	28,547.05	6,986.69	7,951.43
Non-controlling interest	25,942.22	2,454.78	2,793.74

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	(72,760.14)	1,366.69	3,565.05
Investing	(7,171.18)	(765.00)	(2,857.31)
Financing	82,415.08	(383.34)	(485.66)
Net increase/(decrease) in cash and cash equivalents	2,483.76	218.35	222.08

46 Other disclosures (Contd.)

12. Material partly owned subsidiaries (Contd.)

Summarised cash flow information for the year ended 31 March 2023

Particulars	(₹ In Crore)		
	Bajaj Finance Ltd. (Consolidated)	Bajaj Allianz General Insurance Company Ltd.	Bajaj Allianz Life Insurance Company Ltd.
Operating	(42,140.40)	1,568.01	1,498.12
Investing	(10,365.25)	(1,005.92)	(2,049.02)
Financing	50,674.96	(182.30)	(340.71)
Net increase/(decrease) in cash and cash equivalents	(1,830.69)	379.79	(891.61)

13. Derivatives (BALIC)

BALIC offers guaranteed products wherein the policyholders are assured of a fixed rate of return for premium to be received in the future. These premium 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 BALIC to interest rate risk. IRDAI Master Circular for Investment Regulations, 2016 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 has during the year, as part of its hedging strategy, entered 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 circular on interest rate derivatives.

FRA is a forward contract to hedge the risk of movements in interest rates. In a FRA contract, BALIC fixes the yield on the government 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 government bond. BALIC is using FRA instruments 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 policies or from interest income and redemption of investments.

BALIC has a well-defined 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. BALIC is following hedge accounting for all derivative transactions.

FRA are undertaken by BALIC is solely for the purpose of hedging interest rate risks on account of following forecasted transactions

- a) Reinvestment of maturity proceeds of existing fixed income investments
- b) Investment of interest income receivable and
- c) Expected policy premium income receivable on insurance contracts which are already underwritten in life and pension and annuity business.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**13. Derivatives (BALIC)** (Contd.)**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	
	2024	2023
i) Total notional principal amount of Forward Rate Agreements undertaken during the year		
1 6.67% GOI (MD 15/12/2035)	-	396.02
2 7.54% GOI (MD 23/05/2036)	-	1,134.83
3 8.33% GOI (MD 07/06/2036)	-	238.89
4 7.41% GOI (MD 19/12/2036)	583.65	969.44
5 7.18% GOI (MD 24/07/2037)	50.94	-
6 8.30% GOI (MD 02/07/2040)	216.51	-
7 8.83% GOI (MD 12/12/2041)	-	39.79
8 8.30% GOI (MD 31/12/2042)	-	132.48
9 9.23% GOI (MD 23/12/2043)	-	284.69
10 8.17% GOI (MD 01/12/2044)	70.89	52.37
11 8.13% GOI (MD 22/06/2045)	-	53.95
12 6.67% GOI (MD 17/12/2050)	-	124.00
13 6.99% GOI (MD 15/12/2051)	-	821.92
14 7.36% GOI (MD 12/09/2052)	1,513.82	1,535.38
15 7.30% GOI (MD 19/06/2053)	770.42	-
16 6.80% GOI (MD 15/12/2060)	109.54	-
17 6.95% GOI (MD 16/12/2061)	-	2,058.27
18 7.40% GOI (MD 19/09/2062)	2,577.06	2,873.22
19 7.25% GOI (MD 12/06/2063)	2,639.22	-
20 7.46% GOI (MD 06/11/2073)	1,572.94	-
Total	10,104.99	10,715.25

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

13. Derivatives (BALIC) (Contd.)

(₹ In Crore)

Sr. No. Particulars	As at 31 March	
	2024	2023
ii) Total notional principal amount of Forward Rate Agreements outstanding at the year end		
1 6.79% GOI (MD 26/12/2029)	319.45	319.45
2 7.88% GOI (MD 19/03/2030)	125.58	214.97
3 7.61% GOI (MD 09/05/2030)	206.48	206.48
4 8.97% GOI (MD 05/12/2030)	231.70	231.70
5 6.68% GOI (MD 17/09/2031)	-	121.41
6 8.32% GOI (MD 02/08/2032)	-	189.51
7 7.95% GOI (MD 28/08/2032)	404.83	404.83
8 7.40% GOI (MD 09/09/2035)	25.76	270.61
9 6.67% GOI (MD 15/12/2035)	849.59	1,542.30
10 7.54% GOI (MD 23/05/2036)	674.33	1,134.83
11 8.33% GOI (MD 07/06/2036)	461.31	563.56
12 7.41% GOI (MD 19/12/2036)	751.86	969.44
13 7.18% GOI (MD 24/07/2037)	50.94	-
14 8.30% GOI (MD 02/07/2040)	216.51	-
15 8.83% GOI (MD 12/12/2041)	39.79	39.79
16 8.30% GOI (MD 31/12/2042)	242.57	308.24
17 9.23% GOI (MD 23/12/2043)	272.76	272.76
18 8.17% GOI (MD 01/12/2044)	123.26	52.37
19 8.13% GOI (MD 22/06/2045)	53.95	110.40
20 7.06% GOI (MD 10/10/2046)	50.08	50.08
21 7.72% GOI (MD 15/06/2049)	64.53	64.53
22 6.67% GOI (MD 17/12/2050)	114.89	114.89
23 6.99% GOI (MD 15/12/2051)	720.09	821.92
24 7.36% GOI (MD 12/09/2052)	2,652.93	1,535.38
25 7.30% GOI (MD 19/06/2053)	770.42	-
26 7.72% GOI (MD 26/10/2055)	-	66.84
27 6.80% GOI (MD 15/12/2060)	124.15	29.25
28 6.76% GOI (MD 22/02/2061)	190.77	242.45
29 6.95% GOI (MD 16/12/2061)	2,397.80	2,458.32
30 7.40% GOI (MD 19/09/2062)	5,292.40	2,873.20
31 7.25% GOI (MD 12/06/2063)	2,639.22	-
32 7.46% GOI (MD 06/11/2073)	1,572.93	-
Total	21,640.88	15,209.51
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*	958.30	650.85

*Potential future credit exposure

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**13. Derivatives (BALIC)** (Contd.)**II. The fair value gain/(loss) (MTM) with respect of Forward Rate Agreements outstanding as at the Balance Sheet date is stated below**

(₹ In Crore)

Sr. No. Particulars	As at 31 March	
	2024	2023
1 6.79% GOI (MD 26/12/2029)	6.33	2.19
2 7.88% GOI (MD 19/03/2030)	0.77	(1.22)
3 7.61% GOI (MD 09/05/2030)	2.65	0.59
4 8.97% GOI (MD 05/12/2030)	3.92	2.04
5 6.68% GOI (MD 17/09/2031)	-	(2.35)
6 8.32% GOI (MD 02/08/2032)	-	0.37
7 7.95% GOI (MD 28/08/2032)	3.08	(3.58)
8 7.40% GOI (MD 09/09/2035)	(0.07)	(7.11)
9 6.67% GOI (MD 15/12/2035)	12.04	(9.40)
10 7.54% GOI (MD 23/05/2036)	21.20	9.45
11 8.33% GOI (MD 07/06/2036)	3.85	(10.31)
12 7.41% GOI (MD 19/12/2036)	17.48	0.30
13 7.18% GOI (MD 24/07/2037)	0.29	-
14 8.30% GOI (MD 02/07/2040)	1.37	-
15 8.83% GOI (MD 12/12/2041)	1.20	(0.38)
16 8.30% GOI (MD 31/12/2042)	10.63	2.79
17 9.23% GOI (MD 23/12/2043)	12.36	2.30
18 8.17% GOI (MD 01/12/2044)	3.96	0.72
19 8.13% GOI (MD 22/06/2045)	1.70	(1.35)
20 7.06% GOI (MD 10/10/2046)	0.76	(0.80)
21 7.72% GOI (MD 15/06/2049)	1.40	(0.86)
22 6.67% GOI (MD 17/12/2050)	5.72	1.50
23 6.99% GOI (MD 15/12/2051)	48.90	20.46
24 7.36% GOI (MD 12/09/2052)	69.99	(13.14)
25 7.30% GOI (MD 19/06/2053)	11.24	-
26 7.72% GOI (MD 26/10/2055)	-	1.74
27 6.80% GOI (MD 15/12/2060)	1.57	(0.92)
28 6.76% GOI (MD 22/02/2061)	3.16	(3.93)
29 6.95% GOI (MD 16/12/2061)	102.99	2.88
30 7.40% GOI (MD 19/09/2062)	117.57	(30.21)
31 7.25% GOI (MD 12/06/2063)	49.02	-
32 7.46% GOI (MD 06/11/2073)	44.25	-
Total	559.33	(38.23)

b. Movement in Cash flow hedge reserve

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Realised	Unrealised	Total	Realised	Unrealised	Total
Balance at the beginning of the year	(27.11)	80.16	53.05	(1.96)	(13.92)	(15.88)
Add: Changes in the fair value during the year	36.79	563.14	599.93	(26.37)	94.08	67.71
Add: Amount reclassified from OCI to profit or loss	4.15	-	4.15	1.22	-	1.22
Balance at the end of the year (Net of tax)	13.83	643.30	657.13	(27.11)	80.16	53.05

An amount of ₹ 79.78 crore (31 March 2023 ₹ 99.12 crore) was recognised in Statement of Profit and Loss on account of cash flow hedge.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

13. Derivatives (BALIC) (Contd.)

c. Counterparty wise details

(₹ In Crore)

Name of counterparty	As at 31 March 2024	As at 31 March 2023
	Axis Bank Ltd / BNP Paribas / Bank of America N.A. / Citibank NA / HDFC Bank Ltd / HSBC Ltd / J.P. Morgan Chase / Standard Chartered Bank	Axis Bank Ltd / BNP Paribas / Bank of America N.A. / Citibank NA / HDFC Bank Ltd / HSBC Ltd / J.P. Morgan Chase / Standard Chartered Bank
Current credit exposure	563.33	77.62
Potential future credit exposure	958.30	650.85
Credit exposure	1,521.63	728.47

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 Investment Regulations, 2016, 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	
	2024	2023
PV01 (Price value of one basis point)		
Hedge instrument	(19.59)	(11.51)
Hedge item	19.75	11.59

PV01 measures the change in the present value of the hedge instrument/item resulting from one basis point shift in the yield & OIS curve.

14. Fair value of equity investments at FVTOCI

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Asian Paints Ltd.	5.69	6.90
Astral Ltd.	20.91	-
Axis Bank Ltd.	115.58	81.36
Bayer CropScience Ltd.	13.66	9.79
Bharti Airtel Ltd.	115.16	92.05
Bharat Electronics Ltd	30.75	-
Bharat Forge Ltd.	20.09	-
Britannia Industries Ltd.	45.19	-
Bosch Ltd.	-	2.91
Cipla Ltd.	26.35	18.28
Cholamandalam Investment and Finance Company Ltd.	10.53	-
Coal India Ltd	9.77	-
Divis Laboratories Ltd.	18.95	26.54
Dr Reddys Laboratories Ltd.	73.41	46.32
Eicher Motors Ltd	26.13	-

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

14. Fair value of equity investments at FVTOCI (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Godrej Consumer Products Ltd.	44.44	20.15
HCL Technologies Ltd.	74.24	23.55
HDFC Bank Ltd.	519.87	234.61
Hero Motocorp Ltd.	-	4.23
Hindalco Industries Ltd.	23.25	40.65
Hindustan Unilever Ltd.	118.42	87.04
Hindustan Aeronautics Ltd.	33.27	-
Housing Development Finance Corporation Ltd.	-	128.34
ICICI Bank Ltd.	304.16	188.17
IDFC First Bank Ltd.	16.91	-
Infosys Ltd.	199.09	124.66
IndusInd Bank Ltd.	-	11.75
ITC Ltd.	158.15	45.17
Kotak Mahindra Bank Ltd.	94.46	13.86
Larsen & Toubro Infotech Mindtree Ltd.	9.88	-
Larsen & Toubro Ltd.	241.28	66.81
LTIMindtree Ltd.	20.74	-
Lupin Ltd.	5.66	1.62
Mahindra & Mahindra Ltd.	79.54	40.44
Marico Ltd.	2.29	15.93
Maruti Suzuki India Ltd.	63.63	16.59
MRF Ltd.	-	2.52
NTPC Ltd.	66.25	20.91
Nestle India Ltd.	78.67	11.82
Oil & Natural Gas Corporation Ltd.	8.04	11.03
Pidilite Industries Ltd.	-	3.53
Power Grid Corporation of India Ltd.	59.38	18.06
RBL Bank Ltd.	102.89	60.40
Reliance Industries Ltd.	493.31	279.50
Sanofi India Ltd.	17.85	12.62
Siemens Ltd.	-	26.62
State Bank of India	73.13	53.42
Sun Pharmaceuticals Industries Ltd.	106.17	31.48
Tata Consultancy Services Ltd.	233.42	202.41
Tata Consumer Products Ltd.	4.60	-
Tata Motors Ltd.	70.53	17.56
Tata Steel Ltd.	33.75	43.63
Tech Mahindra Ltd.	13.73	12.67
The Ramco Cements Ltd.	5.26	4.15
The Federal Bank Ltd.	16.17	-

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)

14. Fair value of equity investments at FVTOCI (Contd.)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Titan Company Ltd.	92.38	32.44
TVS Motor Company Ltd.	20.23	-
UltraTech Cement Ltd.	-	41.55
Wipro Ltd.	9.53	10.96
Yatra Online Ltd.	7.56	-
Zomato Ltd.	2.95	-
Zydus Lifesciences Ltd	3.53	-
Fair Value	4,060.78	2,245.00

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 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 Parties') with the understanding that the BHFL shall directly or indirectly lend to other entities.

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	8.34	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. CIN: U45203KA2003PTC094179	23-Sep-23	10.83	Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036. LLP IN: AAD-0057	22-Sep-23	3.00
				27-Sep-23	1.76

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

46 Other disclosures (Contd.)**15. Ultimate beneficiary** (Contd.)**Details of transaction in FY 2022-23**

(₹ 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
J.V.N Exports Pvt. Ltd.	29-Aug-22	6.00	Radiant Equity Management Pvt. Ltd.	31-Aug-22	6.00
Address: No B05, 5th Floor, Solus Jain Heights, J C Road, 1st Cross Road, Bangalore - 560027, Karnataka CIN: U07010KA1993PTC014766	14-Sep-22	0.30	Address: No 255-B, Bommasandra Industrial Area, Bommasandra Village Anekal T K, Bangalore - 560099, Karnataka CIN: U63090KA1994PTC143382	17-Sep-22	0.30
	18-Nov-22	0.30		19-Nov-22	0.30
	18-Jan-23	0.50		19-Jan-23	0.50
Chayadeep Properties Pvt. Ltd.	14-Sep-22	26.45	Karuna Ventures Pvt. Ltd.	22-Sep-22	157.00
Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 CIN: U45203KA2003PTC094179	15-Sep-22	38.58	Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 CIN: U74110KA2009PTC05057	19-Sep-22	29.76
	21-Sep-22	40.78		22-Sep-22	29.76
	22-Sep-22	29.76			

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 2024	Balance outstanding 31 March 2023
1	Abhilash Global Corporation Pvt. Ltd.	Loan receivables	No	0.05	0.09
2	Aditya Infocom Pvt. Ltd.	Loan receivables	No	-	-
3	AKK Agencies Pvt. Ltd.	Loan receivables	No	-	-
4	Alpic Formulations Pvt. Ltd.	Loan receivables	No	0.04	0.06
5	Anand IT Solutions Pvt. Ltd.	Loan receivables	No	-	-
6	Asquare Events And Production Pvt. Ltd.	Loan receivables	No	0.13	0.13
7	Astor Metal Industries Pvt. Ltd.	Loan receivables	No	0.18	0.17
8	Attract Force Management Service Pvt. Ltd.	Loan receivables	No	0.03	0.05
9	Ayuh Meditech Solutions Pvt. Ltd.	Loan receivables	No	-	-
10	Balsam Publishing House Pvt. Ltd.	Loan receivables	No	-	-
11	Bhandari Hotels Pvt. Ltd.	Loan receivables	No	0.08	0.09
12	CP Hydro Projects India Pvt. Ltd.	Loan receivables	No	-	-
13	CSE Computer Solutions East Pvt. Ltd.	Loan receivables	No	0.44	0.50
14	Daffodils Daily OPC Pvt. Ltd.	Loan receivables	No	0.11	0.12
15	Dheer Software Solutions Pvt. Ltd.	Loan receivables	No	-	-
16	Economic Gateway Consultants Pvt. Ltd.	Loan receivables	No	-	-
17	Enkaway Motors Pvt. Ltd.	Loan receivables	No	-	-

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2024	Balance outstanding 31 March 2023
18	Explore India Events Pvt. Ltd.	Loan receivables	No	-	-
19	First Office Solutions India Pvt. Ltd.	Loan receivables	No	0.04	0.07
20	First Paper Idea India Pvt. Ltd.	Loan receivables	No	0.11	0.11
21	Fortuner Con Serve Pvt. Ltd.	Loan receivables	No	-	-
22	Gintara Pvt. Ltd.	Loan receivables	No	-	-
23	Grabstance Techonologies Pvt. Ltd.	Loan receivables	No	0.01	0.03
24	Green Way Super Market Pvt. Ltd.	Loan receivables	No	0.11	0.11
25	Hyper Collective Creative Technologies Pvt. Ltd.	Loan receivables	No	0.00	0.00
26	Indira Smart Systems Pvt. Ltd.	Loan receivables	No	0.08	0.09
27	Indochin Electrotech Pvt. Ltd.	Loan receivables	No	0.13	0.13
28	Invision Entertainment Pvt. Ltd.	Loan receivables	No	0.13	2.06
29	Jamson Pharmaceutical Pvt. Ltd.	Loan receivables	No	-	-
30	Janhavi Exim Pvt. Ltd.	Loan receivables	No	-	-
31	Jay Gurudev Agrotech Pvt. Ltd.	Loan receivables	No	-	-
32	Jey Pee Nets Pvt. Ltd.	Loan receivables	No	-	-
33	K Cube Communications Pvt. Ltd.	Loan receivables	No	-	-
34	Kk Diabetes Men&Women Care Centre Pvt. Ltd.	Loan receivables	No	-	-
35	Kool Gourmet Pvt. Ltd.	Loan receivables	No	0.10	0.10
36	Koolair Systems Pvt. Ltd.	Loan receivables	No	-	-
37	Mazda Agencies Pvt. Ltd.	Loan receivables	No	-	0.11
38	Mechwing Engineering & Services Pvt. Ltd.	Loan receivables	No	0.08	0.10
39	Multi Tech System Industrial Automation Pvt. Ltd.	Loan receivables	No	0.00	0.00
40	Multiton Equipments Pvt. Ltd.	Loan receivables	No	-	-
41	Niche Events And Promotions Pvt. Ltd.	Loan receivables	No	-	-
42	Nur Automation Pvt. Ltd.	Loan receivables	No	0.06	0.07
43	Pallavi Shelters Pvt. Ltd.	Loan receivables	No	-	-
44	PC Print Control Pvt. Ltd.	Loan receivables	No	-	-
45	Prematix Software Solution Pvt. Ltd.	Loan receivables	No	-	-
46	Priyanka Management Solutions India Pvt. Ltd.	Loan receivables	No	-	-
47	R R Movers And Logistics Pvt. Ltd.	Loan receivables	No	0.13	0.13
48	Reliance Beverages Pvt. Ltd.	Loan receivables	No	-	-
49	Relied Staffing Solution Pvt. Ltd.	Loan receivables	No	0.12	0.12
50	Riddhi Siddhi Emporium Pvt. Ltd.	Loan receivables	No	-	-
51	Seven Oaks Engineering Pvt. Ltd.	Loan receivables	No	-	-
52	Shrine Infrastructure Pvt. Ltd.	Loan receivables	No	0.52	0.56
53	Singh Hindustan Marine Pvt. Ltd.	Loan receivables	No	0.00	0.00
54	Solaris People Solutions Pvt. Ltd.	Loan receivables	No	-	0.10
55	Spice Flora India Pvt. Ltd.	Loan receivables	No	-	-
56	Sri Beera Barji Trading Co. Pvt. Ltd.	Loan receivables	No	0.05	0.06
57	Tei Marketing Pvt. Ltd.	Loan receivables	No	-	-
58	Tejas India Buildtech Pvt. Ltd.	Loan receivables	No	0.14	0.14

Notes to consolidated financial statements for the year ended 31 March 2024 (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 2024	Balance outstanding 31 March 2023
59	Times Partner Pvt. Ltd.	Loan receivables	No	(0.00)	(0.00)
60	Tulsians Kharidiye Pvt. Ltd.	Loan receivables	No	-	-
61	Underground Pipeline And Non-Destructive Testing Services Pvt. Ltd.	Loan receivables	No	-	-
62	Vijayasree Rearing And Processing Pvt. Ltd.	Loan receivables	No	-	-
63	Wave Aquatic Pvt. Ltd.	Loan receivables	No	-	-
64	Indo Sale Pvt. Ltd.	Fixed Deposit	No	(0.05)	(0.05)
65	Akshda Well Wisher Advisory (OPC) Pvt. Ltd.	Payables	No	-	-
66	Aleem Autos Pvt. Ltd.	Payables	No	(0.00)	(0.00)
67	Visakam Motors Pvt. Ltd.	Payables	No	(0.00)	(0.00)
68	Daytoday Technologies (OPC) Pvt. Ltd.	Payables	No	(0.00)	(0.00)
69	Fuehrer Fintech Pvt. Ltd.	Payables	No	-	-
70	Keen Financial Services Pvt. Ltd.	Payables	No	(0.00)	(0.00)
71	Keynote Management Accountancy And Consulting Pvt. Ltd.	Payables	No	-	(0.00)
72	Progency Consultancy Pvt. Ltd.	Payables	No	-	(0.00)

The above disclosure has been prepared basis the relevant information compiled by BFL 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 Bajaj Finance Ltd.

For the financial year ended 31 March 2024 and 31 March 2023, 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**

			(₹ In Crore)	
Particulars	As at 31 March			
	2024	2023		
Carrying amount at the beginning of the year	61.84	53.65		
Add: Additions	241.78	157.04		
Less: Disposal/capitalisation	221.50	148.85		
Carrying amount at the end of the year	82.12	61.84		

Notes to consolidated financial statements for the year ended 31 March 2024 (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	35.38	6.03	18.74	21.97	82.12

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	20.14	20.21	19.48	2.01	61.84

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	
	2024	2023
Carrying amount at the beginning of the year	129.43	71.93
Add: Additions	484.30	427.28
Less: Disposal/capitalisation	475.77	369.78
Carrying amount at the end of the year	137.96	129.43

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	67.80	23.24	16.91	30.01	137.96

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	81.62	17.80	16.94	13.07	129.43

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 2024 (Contd.)

47 Revenue from contracts with customers (BFL)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Type of services		
Service and administration charges	1,772.75	1,553.40
Fees on value added services and products	653.24	504.60
Foreclosure charges	439.59	319.11
Distribution income	2,299.12	1,915.17
Brokerage Income	102.47	50.57
Marketing, branding and allied services	122.74	-
Total	5,389.91	4,342.85
Geographical markets		
India	5,389.91	4,342.85
Outside India	-	-
Total	5,389.91	4,342.85
Timing of revenue recognition		
Services transferred at a point in time	5,389.91	4,342.85
Services transferred over time	-	-
Total	5,389.91	4,342.85

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Contract balances		
Fees, commission and other receivable	840.41	459.28
Total	840.41	459.28

Impairment allowance recognised on contract balances is ₹ 1.97 crore (Previous year ₹ 1.34 crore)

Contract asset as on 31 March 2024 is ₹ Nil (Previous year ₹ Nil)

Notes to consolidated financial statements for the year ended 31 March 2024 (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 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
Total		31,503,611	2,334,802	3,154,987	21,929,193	4,083,318	1,311	5,489,789

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Employee stock option plan (Contd.)**(i) Bajaj Finance Ltd.** (Contd.)

As on 31 March 2023

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	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	81,500	-	2,393,750	340,750	81,500
20-May-15	448.16	1,935,000	158,800	-	1,406,700	369,500	158,800
24-May-16	765.37	1,430,000	302,800	-	901,825	225,375	302,800
17-May-17	1,347.75	1,120,750	355,494	-	623,893	141,363	355,494
16-Oct-17	1,953.05	16,350	-	-	16,350	-	-
01-Feb-18	1,677.85	120,000	21,702	-	49,334	48,964	21,702
17-May-18	1,919.95	1,273,416	511,235	-	555,967	206,214	511,235
16-May-19	3,002.75	1,123,900	477,036	244,897	316,936	85,031	721,933
19-May-20	1,938.60	2,054,250	569,830	912,853	405,973	165,594	1,482,683
27-Apr-21	4,736.55	936,643	180,681	659,013	48,915	48,034	839,694
26-Apr-22	7,005.50	1,003,756	-	986,280	-	17,476	986,280
25-Jul-22	6,258.25	19,349	-	19,349	-	-	19,349
Total		29,940,214	2,659,078	2,822,392	20,446,573	4,012,171	5,481,470

Weighted average fair value of stock options granted during the year is as follows

Particulars	FY 2023-24		FY 2022-23	
	Grant date	No. of options granted	Weighted average fair value (₹)	
Grant date	26-Apr-23		2,756.16	
No. of options granted		1,563,397		1,003,756
Weighted average fair value (₹)			2,683.83	3,212.49

Following table depicts range of exercise prices and weighted average remaining contractual life

As on 31 March 2024

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	5,481,470	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

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

48 Employee stock option plan (Contd.)

(i) Bajaj Finance Ltd. (Contd.)

As on 31 March 2023

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	5,671,450	138.04-4,736.55	2,219.04	4.49
Granted during the year	1,023,105	6,258.25-7,005.50	6,691.37	
Cancelled during the year	72,094	1919.95-7,005.50	4,010.24	
Exercised during the year	1,140,991	138.04-4,736.55	1,385.83	
Outstanding at the end of the year	5,481,470	219.66-7,005.50	3,259.66	4.42
Exercisable at the end of the year	2,659,078	219.66-4,736.55	1,959.63	2.66

The weighted average market price of equity shares for options exercised during the year is ₹ 6,920.42 (Previous year ₹ 6,564.81).

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

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
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 years on bullet vesting
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 on bullet vesting
25-Jul-22	6.99%	4 years	44.15%	0.32%	6,258.25	3,603	1.5 years on bullet vesting
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1,563,397	4 years on SLM basis

*adjusted for sub-division of shares and issue of bonus shares thereon

For the year ended 31 March 2024, the BFL has accounted expense of ₹ 268.94 crore as employee benefit expenses (note no.35) on the aforesaid employee stock option plan (Previous year ₹ 224.41 crore). The balance in employee stock option outstanding account is ₹ 711.50 crore as of 31 March 2024 (Previous year ₹ 555.46 crore).

(ii) For ESOP's other than BFL refer note 38 to standalone financial statements.

Notes to consolidated financial statements for the year ended 31 March 2024 (Contd.)

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
1 Parent								
Bajaj Finserv Ltd.	10.89%	6,568.97	14.36%	1,170.06	(0.17%)	(2.53)	12.10%	1,167.53
2 Subsidiaries (Indian)								
Bajaj Allianz General Insurance Company Ltd.	18.75%	11,313.53	16.94%	1,380.30	52.66%	791.81	22.51%	2,172.11
Bajaj Allianz Life Insurance Company Ltd.	20.07%	12,110.28	7.58%	617.75	79.77%	1,199.49	18.83%	1,817.24
Bajaj Finance Ltd. (Consolidated)	127.58%	76,969.75	177.37%	14,451.17	4.36%	65.51	150.41%	14,516.68
Bajaj Finserv Direct Ltd.	0.88%	528.14	(0.89%)	(72.63)	(0.02%)	(0.12)	(0.75%)	(72.75)
Bajaj Finserv Health Ltd.	0.25%	149.69	(1.89%)	(153.62)	(0.06%)	(0.96)	(1.60%)	(154.58)
Bajaj Finserv Ventures Ltd.	0.38%	229.10	0.06%	4.49	(0.10%)	(1.45)	0.03%	3.04
Bajaj Finserv Mutual Fund Trustee Ltd.	0.01%	0.33	0.00%	0.04	-	-	0.00%	0.04
Bajaj Finserv Asset Management Ltd.	0.15%	91.61	(2.05%)	(167.06)	0.06%	0.84	(1.72%)	(166.22)
(Less): Minority interests in all subsidiaries	(72.02%)	(43,447.21)	(91.41%)	(7,447.57)	(36.50%)	(548.87)	(82.85%)	(7,996.44)
(Less): Inter-company eliminations	(6.96%)	(4,197.69)	(20.08%)	(1,635.59)	-	-	(16.96%)	(1,635.59)
3 Joint ventures (as per equity method) (Indian)								
Bajaj Allianz Financial Distributors Ltd.	0.02%	12.14	0.01%	0.45	-	-	0.00%	0.45
(Less): Inter-company eliminations	-	-	-	-	-	-	-	-
Total	100.00%	60,328.64	100.00%	8,147.79	100.00%	1,503.72	100.00%	9,651.51

50 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

51 Miscellaneous

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

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey
Partner
ICAI Membership Number: 044000

Pune: 26 April 2024

On behalf of the Board of Directors

S Sreenivasan
Chief Financial Officer

Uma Shende
Company Secretary

Sanjiv Bajaj
Chairman & Managing Director
DIN: 00014615

Dr. Naushad Forbes
Chairman-Audit Committee
DIN: 00630825

Salient features of the financial statements of subsidiaries for the year ended 31 March 2024

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

(₹ In Crore)

Particulars	Bajaj	Bajaj	Bajaj	Bajaj	Bajaj	Bajaj	Bajaj	Bajaj	Bajaj	Bajaj
	Allianz General Insurance Co. Ltd.	Allianz Life Insurance Co. Ltd.	Bajaj Finance Ltd.	Housing Finance Ltd.	Financial Securities Ltd.	Finserv Direct Ltd.	Finserv Health Ltd.	Finserv Ventures Ltd.	Finserv Mutual Fund Trustee Ltd.	Bajaj Finserv Asset Management Ltd.
a The date since when subsidiary was acquired	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	27 September 2021	11 October 2021	18 October 2021
b Reporting period for the subsidiary	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024	1 April 2023 to 31 March 2024
c Paid-up share capital	110.23	150.71	123.60	6,712.16	802.88	3.12	2.50	2.50	0.35	300.00
d Reserves and surplus	11,203.30	11,959.57	71,886.93	5,521.34	156.53	525.02	147.19	226.61	(0.02)	(208.39)
e Total assets	47,722.19	116,215.35	296,614.45	81,827.09	6,017.62	669.95	316.92	309.86	0.35	144.81
f Total liabilities	47,722.19	116,215.35	296,614.45	81,827.09	6,017.62	669.95	316.92	309.86	0.35	144.81
g Investments	30,219.08	110,510.74	37,153.36	1,938.57	177.89	359.95	2.96	4.03	0.27	69.99
h Turnover	27,299.28	27,673.13	46,945.98	7,617.71	486.07	475.14	623.76	366.97	0.18	14.04
i Profit before tax	1,828.28	722.67	17,053.08	2,161.32	71.07	(72.63)	(153.62)	6.01	0.03	(167.04)
j Provision for tax	447.98	104.92	4,408.97	430.10	15.19	-	-	1.52	(0.01)	-
k Profit after tax	1,380.30	617.75	12,644.11	1,731.22	55.88	(72.63)	(153.62)	4.49	0.04	(167.04)
l Proposed dividend **	330%	600%	1800%	0%	0%	0%	0%	0%	0%	0%
m % of shareholding	74.00%	74.00%	51.34%	100.00%*	100.00%*	80.13%#	100.00%	100.00%	100.00%	100.00%

* Held by Bajaj Finance Ltd.

The remaining 19.87% shareholding is held by Bajaj Finance Ltd.

** Includes interim dividend paid

Name of subsidiary sold during the year: Nil

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.)
b Latest audited Balance Sheet date	31 March 2024	31 March 2024
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 Net worth attributable to shareholding as per latest audited Balance Sheet	12.11	1.71
g Profit/(loss) for the year		
Considered in consolidation	0.03	0.42
Not considered in consolidation	-	-

* Held by Bajaj Allianz Financial Distributors Ltd.

On behalf of the Board of Directors

S Sreenivasan
Chief Financial Officer

Sanjiv Bajaj
Chairman & Managing Director
DIN: 00014615

Uma Shende
Company Secretary

Dr. Naushad Forbes
Chairman-Audit Committee
DIN: 00630825

Pune: 26 April 2024

**STANDALONE
FINANCIAL
STATEMENTS**

Independent Auditors' Report on the Standalone Financial Statements

To The Members of **Bajaj Finserv Ltd.**

Opinion

1. We have audited the accompanying standalone financial statements of Bajaj Finserv Ltd. ('the Company'), which comprise the standalone Balance Sheet as at 31 March 2024, the standalone Statement of Profit and Loss (including Other Comprehensive Income), standalone Statement of Changes in Equity and standalone Statement of Cash Flows for the year then ended on that date, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information ('the standalone financial statements').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2024, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditors' responsibilities for the audit of the standalone financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act, and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

Key audit matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In our professional judgments, we have determined that there is no key audit matter to be communicated in our report.

Other information

5. The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report does not include the standalone financial statements and our auditors' report thereon. The other information is expected to be made available to us after the date of this auditors' report.
6. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
7. In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate action as applicable under the relevant laws and regulations.

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

Responsibilities of management and those charged with governance for the standalone financial statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act, with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards ('Ind AS') specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection of the appropriate accounting software for ensuring compliance with applicable laws and regulations, including those related to retention of audit logs and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the standalone financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the standalone financial statements

11. Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - 12.1 Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - 12.2 Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
 - 12.3 Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
 - 12.4 Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

- 12.5 Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. 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.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

16. As required by the Companies (Auditors' Report) Order, 2020 ('the Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
17. As required by section 143(3) of the Act, we report that:
 - 17.1 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.
 - 17.2 In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - 17.3 The standalone Balance Sheet, the standalone Statement of Profit and Loss including Other Comprehensive Income, the standalone Statement of Changes in Equity and the standalone Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - 17.4 In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act read with the relevant rules thereunder.
 - 17.5 On the basis of the written representations received from the directors as on 31 March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2024 from being appointed as a director in terms of section 164(2) of the Act.
 - 17.6 With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - 17.7 In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act.
18. 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:
 - 18.1 The Company has disclosed the impact of pending litigations as at 31 March 2024 on its financial position in its standalone financial statements – Refer note 27 to the standalone financial statements.

Independent Auditors' Report on the Standalone Financial Statements (Contd.)

- 18.2 The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 18.3 There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- 18.4 The Management has represented, to best of their knowledge and belief, that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 18.5 The Management has represented, to best of their knowledge and belief, that no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- 18.6 Based on such audit procedures, that has been considered reasonable and appropriate in the circumstances, performed by us, nothing has come to our notice that has caused us to believe that the representation under para 18.4 and 18.5 contain any material misstatement.
- 18.7 In our opinion and according to the information and explanations given to us and as stated in note no. 36(c) to the standalone financial statements, the dividend declared and paid during the year by the Company is in compliance with section 123 of the Act.
- 18.8 Based on our examination which included test checks, the Company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.
- As proviso to rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable from 1 April 2023, reporting under rule 11(g) of the Companies (Audit and Auditors) Rules, 2014 on preservation of audit trail as per the statutory requirements for record retention is not applicable for the financial year ended 31 March 2024.

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: 24044000BKGTYU5243

Pune: 26 April 2024

Annexure A to the Independent Auditors' Report

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of Bajaj Finserv Ltd. for the year ended 31 March 2024

(Referred to in paragraph 16 under 'Report on other legal and regulatory requirements' section of our report of even date)

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, Plant and Equipment ('PPE').
The Company is maintaining proper records showing full particulars of intangible assets.
- (b) The Company has a regular programme of physical verification of its PPE by which all PPE are verified on annual basis. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain PPE were physically verified by the Management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) disclosed in the standalone financial statements are held in the name of the Company.
- (d) In our opinion and according to the information and explanations given to us, the Company has not revalued its PPE (including right-of-use assets) or intangible assets or both during the year.
- (e) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii. (a) The Company's business does not involve inventories, hence physical verification of inventory and reporting under paragraph 2(ii)(a) of the Order is not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the Company does not have sanctioned working capital limits from banks or financial institutions. Accordingly, the provision of clause 3(ii)(b) of the Order is not applicable to it.
- iii. (a) In our opinion and according to the information and explanations given to us, the Company has not provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, paragraphs 3(iii)(c), 3(iii)(d) and 3(iii)(e) of the Order are not applicable to the Company.
Further, according to the information and explanation given to us, the Company has made investments during the year.
- (b) In our opinion and according to the information and explanations given to us, the investments made are, prima facie, not prejudicial to the Company's interest. The Company has not provided any guarantees, given securities and the terms and conditions of the grant of all loans and advances in the nature of loans and guarantees are not prejudicial to the Company's interest. Accordingly, paragraph 3(iii)(b) is not applicable to that extent to the Company.
- (c) In our opinion and according to the information and explanations given to us, the Company has not granted any loans or advances in nature of loans to Promoters/Related Parties (as defined in section 2(76) of the Act) which are either repayable on demand or without specifying any terms or period of repayment. Accordingly, paragraph 3(iii)(f) is not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, or given any guarantee or provided any securities as covered under the provisions of section 185 of the Act. In respect of the investments made by the Company, the provisions of section 186 of the Act have been complied with.

Annexure A to the Independent Auditors' Report (Contd.)

- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits or amounts which are deemed to be deposits from the public during the year in terms of directives issued by the Reserve Bank of India or the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for maintenance of cost records under sub-section (1) section 148 of the Act, related to generation of power through wind turbines, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however made a detailed examination of the same.
- vii. (a) In our opinion and according to the information and explanations given to us, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues have been regularly deposited by the Company to/with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, goods and services tax, duty of customs, cess, and other material statutory dues were in arrears as at 31 March 2024 for a period of more than six months from the date they became payable.

- (b) In our opinion and according to the information and explanations given to us, we confirm that the following dues of goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess, and any other statutory dues, have not been deposited to/with the appropriate authority on account of any dispute.

Name of the statute	Nature of the dues	Amount (₹ In Crore)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1.21	FY 2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income Tax	5.10	FY 2012-13, FY 2015-16 and FY 2016-17	Commissioner of Income Tax (Appeals)
GST Act, 2017	GST	0.70	FY 2017-18 and FY 2018-19	Assessing Officer
Finance Act, 1994	Service Tax	1.01	01 March 2011 to 31 March 2015	Joint Commissioner

- viii. In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, we confirm that we have not come across any transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- ix. (a) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not taken any loans or other borrowings from any financial institutions, banks, government and dues to debenture holders or in payment of interest thereon to any lender during the year. Hence, reporting under clause (ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority or any other lender.
- (c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable to the Company.

Annexure A to the Independent Auditors' Report (Contd.)

- (d) According to the information and explanations given to us, and the procedures performed by us, and on an overall examination of the standalone financial statements of the Company, we report that no funds raised on short-term basis have been used for long-term purposes by the Company.
- (e) According to the information and explanations given to us and on an overall examination of the standalone financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.
- x. (a) The Company did not raise money by way of initial public offer or further public offer (including debt instruments) during the year.
- (b) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment/private placement of shares/fully/partly/optionally convertible debentures during the year.
- xi. (a) In our opinion and according to the information and explanations given to us, there has been no fraud by the Company or any fraud on the Company that has been noticed or reported during the year.
- (b) In our opinion and according to the information and explanations given to us, no report under sub-section (12) of section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) We have taken into consideration a whistle blower complaint received by the Company during the year while determining the nature, timing, and extent of audit procedures. No whistle blower complaint were received w.r.t. financial reporting or operations of the Company during the year.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- xiv. (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.
- (b) We have considered the internal audit reports of the Company issued till date, for the period under audit.
- xv. According to the information and explanations given to us, in our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. Accordingly, paragraph 3(xv) of the Order is not applicable to the Company. and hence provisions of section 192 of the Act, 2013 are not applicable to the Company.
- xvi. (a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The Company has not conducted any non-banking financial or housing finance activities without obtaining a valid CoR from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is an Unregistered Core Investment Company ('CIC') as defined in the regulations made by Reserve Bank of India. The Company is not required to obtain registration with Reserve Bank of India and continues to fulfil the criteria of an unregistered CIC.

Annexure A to the Independent Auditors' Report (Contd.)

- (d) According to the information and explanation given to us, in the group (in accordance with Core Investment Companies (CIC's) (Reserve Bank) Directions, 2016) there are 17 companies forming part of the promoter/promoter group of the Company which are CICs. Further, as informed these CIC's are unregistered CICs as per Para 9.1 of notification No. RBI/2020-21/24 dated 13 August 2020 of the Reserve Bank of India.
- xvii. The Company has not incurred any cash losses in the financial year and in the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors during the year and accordingly this clause is not applicable/paragraph 3(xviii) of the Order is not applicable.
- xix. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) According to the information and explanations given to us and based on our examination of the records of the Company, it is not required to transfer any unspent amount pertaining to the year under report to a fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub section 5 of section 135 of the said Act.
- (b) According to the information and explanations given to us and based on our examination of the records of the Company, there is no amount which is remaining unspent under sub section 5 of section 135 of the Act pursuant to any ongoing CSR project.
- xxi. Reporting under clause xxi of the Order is not applicable at the standalone level of reporting.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey
Partner
ICAI Membership Number: 044000
UDIN: 24044000BKGTYU5243

Pune: 26 April 2024

Annexure B to the Independent Auditors' Report

Annexure B to the Independent Auditors' Report on the Standalone Financial Statements of Bajaj Finserv Ltd. for the year ended 31 March 2024

(Referred to in paragraph '17.6' under 'Report on other legal and regulatory requirements' section of our report of even date)

Report on the Internal Financial Controls with reference to the aforesaid standalone financial statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ('the Act').

Opinion

1. We have audited the internal financial controls with reference to the standalone financial statements of Bajaj Finserv Ltd. ('the Company') as at 31 March 2024 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.
2. In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2024, based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ('the Guidance Note').

Management's responsibility for internal financial controls

3. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' responsibility

4. Our responsibility is to express an opinion on the Company's internal financial controls with reference to the standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing ('SAs'), prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the standalone financial statements. Those SAs and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to the standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.
5. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to the standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to the standalone financial statements included obtaining an understanding of internal financial controls with reference to the standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.
6. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to the standalone financial statements.

Annexure B to the Independent Auditors' Report (Contd.)

Meaning of internal financial controls with reference to the standalone financial statements

7. A company's internal financial controls with reference to the standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to the standalone financial statements include those policies and procedures that
- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
 - (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
 - (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the standalone financial statements.

Inherent limitations of internal financial controls with reference to the standalone financial statements

8. Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to the standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to the standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey
Partner
ICAI Membership Number: 044000
UDIN: 24044000BKGTYU5243

Pune: 26 April 2024

Balance Sheet

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2024	2023
ASSETS			
Financial assets			
Cash and cash equivalents	3	20.97	7.24
Bank balances other than cash and cash equivalents	4	0.56	0.47
Trade receivables	5	0.79	0.82
Investment in subsidiaries and joint venture	6A	4,171.55	3,369.09
Other investments	6B	2,197.87	1,709.33
Other financial assets	7	83.44	59.93
		6,475.18	5,146.88
Non-financial assets			
Current tax assets (net)		51.72	48.99
Investment property	8	4.98	5.11
Property, plant and equipment	9A	108.05	110.17
Capital work-in-progress	9B	4.47	4.09
Other non-financial assets	10	6.13	2.72
		175.35	171.08
Total		6,650.53	5,317.96

Balance Sheet (Contd.)

(₹ In Crore)

Particulars	Note No.	As at 31 March	
		2024	2023
LIABILITIES AND EQUITY			
LIABILITIES			
Financial liabilities			
Trade payables	11		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		2.78	2.33
Other financial liabilities	12	50.04	38.21
		52.82	40.54
Non-financial liabilities			
Current tax liabilities (net)		17.41	17.41
Deferred tax liabilities (net)	13	3.95	4.55
Provisions	14	6.68	4.51
Other non-financial liabilities	15	0.70	2.88
		28.74	29.35
EQUITY			
Equity share capital	16	159.41	159.26
Other equity	17	6,409.56	5,088.81
		6,568.97	5,248.07
Total		6,650.53	5,317.96

Summary of material accounting policies followed by the Company 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

S Sreenivasan
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

Pune: 26 April 2024

Statement of Profit and Loss

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2024	2023
Revenue from operations			
Interest income	18	155.85	97.24
Dividend income		1,508.26	948.66
Rental income		2.10	1.93
Windpower income	19	24.08	23.16
Net gain on fair value changes	20	9.00	5.48
Total revenue from operations		1,699.29	1,076.47
Other income	21	34.62	71.14
Total income		1,733.91	1,147.61
Expenses			
Employee benefits expenses	22	126.83	114.21
Depreciation, amortisation and impairment	23	3.48	3.20
Other expenses	24	66.68	55.58
Total expenses		196.99	172.99
Profit before tax		1,536.92	974.62
Tax expense			
Current tax		366.61	241.12
Deferred tax		0.25	0.98
Total tax expense	25	366.86	242.10
Profit for the year		1,170.06	732.52
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) of defined benefit plans		(3.38)	(0.91)
Tax impacts on above		0.85	0.23
Items that will be reclassified to profit or loss		-	-
Other comprehensive income for the year (net of tax)		(2.53)	(0.68)
Total comprehensive income for the year		1,167.53	731.84
Basic Earnings per share (in ₹)	26	7.3	4.6
Diluted Earnings per share (in ₹)	26	7.3	4.6
(Nominal value per share ₹ 1)			

Summary of material accounting policies followed by the Company 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

S Sreenivasan
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

Pune: 26 April 2024

Statement of Changes in Equity

A Equity share capital

(₹ In Crore)

Particulars	Note No.	For the year ended 31 March	
		2024	2023
At the beginning of the year		159.26	79.57
Changes in equity share capital during the year		0.15	79.69
At the end of the year	16	159.41	159.26

B Other equity

(₹ In Crore)

Particulars	Note No.	Reserves and surplus					Total other equity
		Securities premium	General reserve	Share based payments reserve	Treasury shares	Retained earnings	
Balance as at 31 March 2022	17	941.27	1,197.14	219.04	(119.97)	2,051.15	4,288.63
Profit for the year		-	-	-	-	732.52	732.52
Other comprehensive income (net of tax)		-	-	-	-	(0.68)	(0.68)
Total comprehensive income for the year ended 31 March 2023		-	-	-	-	731.84	731.84
Recognition of share based payments to employees of the Company Equity shares earlier held in abeyance, issued during the year (See note 16 d.)		0.04	-	25.20	-	-	25.20
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		77.46	-	-	-	-	77.46
Issue of bonus shares		(79.64)	-	-	-	-	(79.64)
Share issue expenses		(1.98)	-	-	-	-	(1.98)
Exercise of options by employees pursuant to ESOP scheme		31.35	-	(31.35)	-	-	-
Transfer on cancellation of stock options		-	16.65	(16.65)	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	(63.65)	(63.65)
Realisation from treasury shares held by ESOP trust		-	-	-	2.49	-	2.49
Recognition of share based payments to employees of subsidiaries		-	-	117.33	-	-	117.33
	17	968.50	1,213.79	313.57	(117.48)	2,719.34	5,097.72
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		8.91	-	-	-	-	8.91
Balance as at 31 March 2023		959.59	1,213.79	313.57	(117.48)	2,719.34	5,088.81
Profit for the year		-	-	-	-	1,170.06	1,170.06
Other comprehensive income (net of tax)		-	-	-	-	(2.53)	(2.53)
Total comprehensive income for the year ended 31 March 2024		-	-	-	-	1,167.53	1,167.53
Recognition of share based payments to employees of the Company		-	-	17.46	-	-	17.46
Received on allotment of shares to Trust for employees pursuant to ESOP scheme		232.75	-	-	-	-	232.75
Exercise of options by employees pursuant to ESOP scheme		37.12	-	(37.12)	-	-	-
Transfer on cancellation of stock options		-	5.79	(5.79)	-	-	-
Final dividend, declared and paid during the year		-	-	-	-	(127.43)	(127.43)
Realisation from treasury shares held by ESOP trust		-	-	-	13.17	-	13.17
Recognition of share based payments to employees of subsidiaries		-	-	148.25	-	-	148.25
		1,229.46	1,219.58	436.37	(104.31)	3,759.44	6,540.54
Add: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2023		8.91	-	-	-	-	8.91
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2024		139.89	-	-	-	-	139.89
Balance as at 31 March 2024	17	1,098.48	1,219.58	436.37	(104.31)	3,759.44	6,409.56

Summary of material accounting policies followed by the Company 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

Ketan S Vikamsey
Partner
ICAI Membership Number: 044000

Pune: 26 April 2024

On behalf of the Board of Directors

S Sreenivasan
Chief Financial Officer

Sanjiv Bajaj
Chairman & Managing Director
DIN: 00014615

Uma Shende
Company Secretary

Dr. Naushad Forbes
Chairman-Audit Committee
DIN: 00630825

Statement of Cash Flows

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
I. Operating activities		
Profit before tax	1,536.92	974.62
Adjustments to reconcile profit before tax to net cash flows		
Add		
i) Depreciation, amortisation and impairment	3.48	3.20
ii) Share based payment to employees	17.46	25.20
	20.94	28.40
Less		
i) Profit on sale of investments, net	9.00	5.48
ii) Surplus on sale of property, plant and equipment	0.13	0.02
iii) Amortisation of premium/discount on acquisition of debt securities	38.77	28.83
	47.90	34.33
	1,509.96	968.69
Change in assets and liabilities		
i) (Increase)/decrease in trade receivables	0.03	1.88
ii) (Increase)/decrease in loans and other assets	(26.92)	(3.04)
iii) (Increase)/decrease in other bank balances	(0.09)	(0.04)
iv) Increase/(decrease) in liabilities and provisions	8.80	(2.04)
	(18.18)	(3.24)
Reimbursement of share based payments	148.25	117.33
(Purchase)/sale of money market mutual funds, etc., net*	41.13	(53.36)
Net cash from operating activities before income-tax	1,681.16	1,029.42
Income-tax paid	(369.36)	(241.71)
Net cash flow from operating activities	1,311.80	787.71

Statement of Cash Flows (Contd.)

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
II. Investing activities		
i) Purchase of property, plant and equipment	(2.84)	(8.74)
ii) Sale proceeds of property, plant and equipment	1.36	0.58
iii) Investment in subsidiaries	(802.46)	(330.05)
iv) Sale of investments*	2,670.31	1,877.91
v) Purchase of investments*	(3,152.19)	(2,347.33)
vi) (Investment in)/Realisation from treasury shares by ESOP trust	13.17	2.49
Net cash used in investing activities	(1,272.65)	(805.14)
III. Financing activities		
i) Dividend paid	(127.34)	(63.61)
ii) Share issue expenses	-	(1.98)
iii) Rights issue proceeds (net of expenses) [See note 16 d.]	-	0.04
iv) Issue of equity share capital (including securities premium)	101.92	68.60
Net cash used in financing activities	(25.42)	3.05
Net change in cash and cash equivalents	13.73	(14.38)
Cash and cash equivalents as at the beginning of the year	7.24	21.62
Cash and cash equivalents as at the end of the year [See note 3]	20.97	7.24

* As the Company is an investment company, dividend received and interest earned are considered as part of cash flow from operating activities. Purchase and sale of investments has been classified into operating and investing activity based on the intention of the Management at the time of purchase of securities.

Summary of material accounting policies followed by the Company 2

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

S Sreenivasan
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Partner
ICAI Membership Number: 044000

Uma Shende
Company Secretary

Dr. Naushad Forbes
Chairman-Audit Committee
DIN: 00630825

Pune: 26 April 2024

Notes to standalone financial statements for the year ended 31 March 2024

- 1** Bajaj Finserv Ltd. (the 'Company') is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The Company is primarily engaged in the business of promoting financial services such as finance, insurance, broking, investments, etc. including distribution using digital platforms through its investments in subsidiaries, joint ventures and associates. The Company is also engaged in the business of generating power through wind turbines, a renewable source of energy. The Company's registered office is at Bajaj Auto Ltd. Complex, Mumbai-Pune road, Pune, Maharashtra, India. Its shares are listed on two recognised stock exchanges in India.

Under the Master Circular – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered core investment company (CIC) as per Reserve Bank of India guidelines dated 25 August 2016 (last updated on 29 December 2022). As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity investments.

Financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 26 April 2024, Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2A Basis of preparation

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time, other relevant provisions of the Act, the RBI guidelines/regulations to the extent applicable and on an accrual basis (other than Statement of Cash Flows).

The financial statements are prepared on a going concern basis as the Management is satisfied that the Company shall be able to continue its business for the foreseeable future and no material uncertainty exists that may cast significant doubt on the going concern assumption. In making this assessment, the Management has considered a wide range of information relating to present and future conditions, including future projections of profitability, cash flows and capital resources.

The financial statements have been prepared on a historical cost basis, except for certain financial assets and financial liabilities that are measured at fair value.

The financial statements are presented in Indian Rupee (INR), which is also the Company's functional currency and all values are rounded off to the nearest crore (INR 0,000,000) with two decimals as permitted by Schedule III to the Act, except when otherwise indicated.

2B Presentation of financial statements

The Company prepares and presents its Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity in the format prescribed by Division III of Schedule III to the Act. The Statement of Cash Flows has been prepared and presented as per the requirements of Ind AS 7 'Statement of Cash Flows'.

The Company generally reports financial assets and financial liabilities on a gross basis in the Balance Sheet. They are offset and reported net only where it has legally enforceable right to offset the recognised amounts and the Company intends to either settle on a net basis or to realise the asset and settle the liability simultaneously as permitted by Ind AS. Similarly, the Company offsets incomes and expenses and reports the same on a net basis where the netting off reflects the substance of the transaction or other events as permitted by Ind AS.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

2C Summary of material accounting policies**1. Use of estimates**

Estimates and assumptions used in the preparation of the financial statements and disclosures are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date. Accounting estimates and judgments are used in various line items in the financial statements:

- Business model assessment
- Fair value of financial instruments
- Impairment of financial and non financial assets
- Provisions for tax expenses
- Fair value of employee stock options
- Post employment benefits

2. Revenue recognition**Income**

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Company and the revenue can be reliably measured and there exists reasonable certainty of its recovery.

A. Interest income

Interest income from debt instruments is recognised using the effective interest rate (EIR) method on financial assets subsequently measured under amortised cost. The EIR is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

The EIR (and therefore, the amortised cost of the asset) is calculated by considering any discount or premium on acquisition, fees and costs that are an integral part of the EIR. The Company recognises interest income using a rate of return that represents the best estimate of a constant rate of return over the expected life of the instrument.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest and it is recognised in the Statement of Profit and Loss.

B. Dividends

Dividends are recognised in the Statement of Profit and Loss only when the right to receive the income is established.

C. Windpower income

Income from windpower generation is recognised on acceptance of units generated by customer and after giving allowance for wheeling and transmission losses over time if any. Simultaneously, relevant entitlements for generating green energy are recognised to the extent the ultimate collection is reasonably certain.

D. Rent and other income

Rental income is accounted on a straight-line basis over the lease terms on operating leases. Other income is recognised at transaction price net of variable consideration as per agreed terms of contracts.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

2C Summary of material accounting policies (Contd.)

3. Property, plant and equipment and depreciation

A. Property, plant and equipment (PPE)

The Company had elected to continue with carrying value of all PPE as the deemed cost of PPE i.e. historical cost. PPE are stated at acquisition or construction cost less accumulated depreciation and impairment losses, if any. Land is carried at cost of acquisition. PPE not ready for the intended use on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

If significant parts of an item of PPE have different useful lives, then they are accounted for as separate items (major components) of PPE. All other repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

B. Depreciation

Depreciation on PPE is provided on straight-line method using the rates arrived at based on the useful lives as specified in the Schedule II of the Companies Act, 2013. Leasehold improvements are depreciated over the period of lease terms.

C. Impairment of non financial assets

An assessment is done at each Balance Sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/Cash Generating Unit (CGU) is made. Where the carrying value of the asset/CGU exceeds the recoverable amount, the carrying value is written down to the recoverable amount.

4. Investments and financial assets

A. Investment in subsidiaries and joint venture

Interest in subsidiaries and joint venture are recognised at cost and not adjusted to fair value at the end of each reporting period as permitted by Ind AS 27. Cost represents amount paid for acquisition of the said investments. Loans and other similar arrangements with subsidiaries which are probable to be settled for a fixed number of equity shares of the borrower for a fixed price are classified as equity investments.

The Company assesses at the end of each reporting period, if there are any indications that the said investments may be impaired. If so, the Company estimates the recoverable value/amount of the investment and provides for impairment, if any i.e. the deficit in the recoverable value over cost.

B. Other investments and financial assets

i. Recognition and initial measurement

Financial assets are initially recognised on the trade date, i.e., the date that the Company becomes a party to the contractual provisions of the instrument. All financial assets are recognised initially at fair value. Further, in the case of financial assets not recorded at fair value through profit or loss, transaction costs, that are attributable to the acquisition of the financial asset, are added to the fair value. However, trade receivables that do not contain a significant financing component are measured at transaction price.

ii. Subsequent measurement

Subsequent measurement of financial assets depends on the Company's business model for managing the financial asset and the cash flow characteristics of the financial asset.

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at amortised cost, and
- those to be measured subsequently at fair value (either through other comprehensive income (FVTOCI), or through profit or loss (FVTPL))

The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

2C Summary of material accounting policies (Contd.)

For assets classified as 'measured at fair value', gain/(loss) will either be recorded in profit or loss or other comprehensive income, as elected. For assets classified as 'measured at amortised cost', this will depend on the business model and contractual terms of the cash flows.

iii. Business model assessment

The Company determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Company's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- The expected frequency, value and timing of sales are also important aspects of the Company's assessment

If cash flows after initial recognition are realised in a way that is different from the Company's original expectations, the Company does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

iv. The SPPI test (Solely Payments of Principal and Interest)

As a second step of its classification process, the Company assesses the contractual terms of financial instruments to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as profit margin.

v. Subsequently measured at amortised cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost e.g. debentures, bonds, certificate of deposits etc. A gain/(loss) on a financial asset that is subsequently measured at amortised cost is recognised in the Statement of Profit and Loss when the asset is derecognised or impaired. Interest income from these financial assets is included in investment income using the effective interest rate method.

vi. Subsequently measured at FVTPL

Financial assets that do not meet the criteria for amortised cost, are measured at FVTPL e.g. investments in mutual funds. A gain/(loss) on a financial asset that is subsequently measured at FVTPL is recognised in profit or loss and presented net in the Statement of Profit and Loss with other gain/(loss) in the period in which it arises.

vii. Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

2C Summary of material accounting policies (Contd.)

Since the Company makes investments in highly rated fixed income securities, which are categorised as 'subsequently measured at amortised cost', the risk parameters such as tenor, the probability of default corresponding to the credit rating by rating agency (viz. CRISIL, ICRA), for each of these instruments is considered in estimating the probable credit loss over life time of such securities.

ECL impairment loss allowance (or reversal) is recognised during the period only if material and is recognised as income/expense in the Statement of Profit and Loss. This amount is reflected under the head 'other expenses' in the Statement of Profit and Loss.

viii. Reclassification of financial assets and liabilities

The Company does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Company acquires, disposes of, or terminates a business line.

ix. Derecognition of financial assets

A financial asset is derecognised only when:

- The rights to receive cash flows from the asset have expired or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either: (a) the Company has transferred substantially all the risks and rewards of the asset; or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

Any gain or loss on derecognition will be recognised in the Statement of Profit and Loss.

5. Financial liabilities

Financial liabilities are classified as measured at amortised cost or FVTPL. Financial liabilities at FVTPL are measured at fair value and net gain and loss, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Interest expense and foreign exchange gain and loss are recognised in the Statement of Profit and Loss.

A. Recognition and initial measurement

All financial liabilities are recognised initially at fair value and, in the case of payables, net of directly attributable transaction costs.

B. Subsequent measurement

After initial recognition, all financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

C. Derecognition

The Company derecognises financial liability when the obligation under the liability is discharged, cancelled or expired. Any gain or loss on derecognition is also recognised in the Statement of Profit and Loss.

6. Employee benefits

A. Short-term employee benefits and defined contribution plan

Liabilities for salaries, including non-monetary benefits and accumulating leave balance in respect of employees' services up to the end of the reporting period, are recognised as liabilities (and expensed), and are measured at the amounts expected to be paid when the liabilities are settled.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

2C Summary of material accounting policies (Contd.)

The Company also recognises a liability and records an expense for bonuses (including performance-linked bonuses) where contractually obliged or where there is a past practice that has created a constructive obligation.

The Company has made contribution to superannuation fund, provident fund and pension scheme as per the scheme of the Company or to Government authority.

B. Defined benefits plans (Gratuity Obligation)

The liability or asset recognised in the Balance Sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The calculation includes assumptions with regard to discount rate, salary escalation rate, attrition rate and mortality rate. Management determines these assumptions in consultation with the plan's actuaries and past trend.

Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in other comprehensive income.

Payment for present liability of future payment of gratuity is being made to approved gratuity fund viz, Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Ltd. (BALIC). However, any deficits in plan assets managed by LIC and BALIC as compared to actuarial liability determined by an appointed actuary are recognised as a liability.

C. Compensated absences

Compensated absences entitlements are recognised as a liability, in the calendar year of rendering of service, as per the rules of the Company. As accumulated leave can be availed and/or encashed at any time during the tenure of employment, the liability is recognised on the basis of an independent actuarial valuation. The compensated absences is calculated annually by actuaries using the projected unit credit method.

D. Employee stock option scheme

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The Company carries out fair value cost assessment of employee stock options on the grant date using Black & Scholes model. The cost towards employees of the Company is recognised as employee benefits expenses 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 Company's best estimate of the number of equity instruments that will ultimately vest. No expense is recognised for grants that do not ultimately vest because of non fulfillment of service conditions.

E. Treasury shares

The Company has created an employee benefit trust (EBT) for providing share based payment to its employees. When the Company uses EBT as a vehicle for distributing shares to employees under the Employee Stock Option Scheme. The Company treats EBT as its extension and shares held by EBT are treated as treasury shares.

Own equity instruments that are re-acquired (treasury shares) are recognised at cost and deducted from other equity. No gain/(loss) is recognised in the Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued or sold, is recognised in capital reserve.

Share options exercised during the reporting period are settled with treasury shares.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

2C Summary of material accounting policies (Contd.)

7. Taxation

A. Current tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, in accordance with the Income Tax Act, 1961 and the Income Computation and Disclosure Standards prescribed therein. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

B. Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. The carrying amount of deferred tax assets is reviewed at each reporting date by the Company and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

8. Provisions and contingent liabilities

The Company creates a provision when there is present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When the likelihood of outflow of resources is remote, no provision or disclosure is made.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

9. Dividends on equity shares

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company.

10. Fair value measurement

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place in the accessible principal market or the most advantageous accessible market as applicable.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into Level 1, Level 2 and Level 3 based on the lowest level input that is significant to the fair value measurement as a whole.

2D Recent accounting pronouncements

No new standards or amendments have been issued which apply for the first time in March 2024.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

3 Cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Balances with banks	20.97	7.24
	20.97	7.24

4 Bank balances other than cash and cash equivalents

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Unclaimed dividend accounts	0.56	0.47
	0.56	0.47

5 Trade receivables

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Good	0.79	0.82
	0.79	0.82

No trade or other receivable are due from Directors or other officers of the Company either severally or jointly with any other person nor from any firms or private companies respectively in which any director is a partner, a director or a member.

Trade receivables ageing schedule

(₹ In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 6 months	6 months - 1 year	1-2 years	More than 2 years	
31 March 2024						
Undisputed trade receivables – considered good	0.79	-	-	-	-	0.79
Unbilled dues	-	-	-	-	-	-
31 March 2023						
Undisputed trade receivables – considered good	0.82	-	-	-	-	0.82
Unbilled dues	-	-	-	-	-	-

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

6 Investments

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
A Investment in subsidiaries and joint venture		
Investment in equity instruments carried at cost		
In subsidiaries		
Bajaj Finance Ltd.	1,910.73	1,910.73
Bajaj Allianz Life Insurance Co. Ltd.	111.53	111.53
Bajaj Allianz General Insurance Co. Ltd.	81.57	81.57
Bajaj Finserv Direct Ltd.	2.50	2.50
Bajaj Finserv Health Ltd.	2.50	2.50
Bajaj Finserv Asset Management Ltd.	300.00	100.00
Bajaj Finserv Mutual Fund Trustee Ltd.	0.35	0.10
Bajaj Finserv Ventures Ltd.	2.50	2.50
Deemed equity at cost for Bajaj Finserv Direct Ltd. *	522.93	522.93
Deemed equity at cost for Bajaj Finserv Health Ltd. *	692.50	457.50
Deemed equity at cost for Bajaj Finserv Ventures Ltd. *	225.00	155.00
Deemed equity at cost on account of ESOP scheme	21.03	21.03
Cost	3,873.14	3,367.89
In joint venture		
Bajaj Allianz Financial Distributors Ltd.	1.20	1.20
Cost	1.20	1.20
In share warrants		
Bajaj Finance Ltd.	297.21	-
Cost	297.21	-
Total (A)	4,171.55	3,369.09
B Other investments		
Investments carried at amortised cost		
In debt securities of subsidiaries		
Bajaj Finance Ltd.	694.64	769.95
Bajaj Housing Finance Ltd.	399.21	548.88
Amortised cost	1,093.85	1,318.83
In certificate of deposits		
Axis Bank Ltd.	24.57	47.19
Bank of Baroda Ltd.	24.81	24.64
Canara Bank Ltd.	49.49	73.33
HDFC Bank Ltd.	122.23	73.08
National Bank For Agriculture And Rural Development	-	70.57
Small Industries Development Bank of India	64.38	23.42
ICICI Bank Ltd.	24.62	-
Indian Bank Ltd.	197.88	-
Amortised cost	507.98	312.23
In inter corporate deposits		
Bajaj Finance Ltd.	550.00	-
Cost	550.00	-
Investments carried at fair value through profit and loss		
In mutual funds		
Nippon India Overnight Fund - Direct Growth Plan	-	78.27
Bajaj Finserv Overnight Fund - Direct Plan - Growth	46.04	-
Fair value	46.04	78.27
Total (B)	2,197.87	1,709.33
Total Investments (C) = (A) + (B)	6,369.42	5,078.42

* Refer note 2C. 4. A.

All investments in 6A and 6B above are within India.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

7 Other financial assets

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Credit receivable for windpower generated	1.34	1.04
Interest accrued on investments	75.45	46.61
Security deposits	2.97	2.69
CSR set-off receivable	0.35	-
Other receivables	3.33	9.59
	83.44	59.93

8 Investment property

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Gross carrying amount		
Opening balance	8.25	8.25
Additions	-	-
Closing balance	8.25	8.25
Accumulated depreciation		
Opening balance	3.14	3.01
Depreciation charge	0.13	0.13
Closing balance	3.27	3.14
Net carrying amount	4.98	5.11

i) Amounts recognised in profit or loss for investment properties

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Rental income	2.10	1.93
Direct operating expenses from property that generated rental income	(0.03)	(0.03)
Profit from investment properties before depreciation	2.07	1.90
Depreciation	(0.13)	(0.13)
Profit from investment property	1.94	1.77

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

8 Investment property (Contd.)

ii) Contractual obligations

There are no contractual obligations to purchase, construct or develop investment property. There are no restrictions on the existence and realisability of investment property or the remittance of income and proceeds of disposal.

iii) Leasing arrangements

Investment properties are leased out to tenants under operating leases. Disclosure on future rent receivable is included in note 33.

iv) Fair value

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Investment property	41.22	40.26

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 the Company are cancellable leases. The market rate for sale/purchase of such premises are representative of fair values. Company'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 standalone financial statements for the year ended 31 March 2024 (Contd.)

9A Property, plant and equipment

Current year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2024	Accumulated depreciation			Net block	
	As at 1 April 2023	Additions	Deductions / adjustments		As at 1 April 2023	Deductions/ adjustments	For the year (a)	As at 31 March 2024	As at 31 March 2024
Land freehold (b)	63.55	0.23	1.06	62.72	-	-	-	-	62.72
Buildings (a)	28.48	-	-	28.48	8.09	-	0.41	8.50	19.98
Computers	3.30	0.59	-	3.89	2.16	-	0.59	2.75	1.14
Electric fittings	0.48	-	-	0.48	0.48	-	-	0.48	-
Furniture	6.63	0.07	-	6.70	4.02	-	0.76	4.78	1.92
Office equipment	2.26	0.13	-	2.39	1.95	-	0.10	2.05	0.34
Leasehold improvements	0.47	-	-	0.47	0.10	-	0.09	0.19	0.28
Vehicles	11.82	1.44	0.30	12.96	4.21	0.13	1.40	5.48	7.48
Wind energy generators	283.72	-	-	283.72	269.53	-	-	269.53	14.19
Total	400.71	2.46	1.36	401.81	290.54	0.13	3.35	293.76	108.05

Previous year

(₹ In Crore)

Particulars	Gross block			As at 31 March 2023	Accumulated depreciation			Net block	
	As at 1 April 2022	Additions	Deductions / adjustments		As at 1 April 2022	Deductions/ adjustments	For the year (a)	As at 31 March 2023	As at 31 March 2023
Land freehold (b)	59.61	3.94	-	63.55	-	-	-	-	63.55
Buildings (a)	28.48	-	-	28.48	7.68	-	0.41	8.09	20.39
Computers	3.25	0.87	0.82	3.30	2.38	0.74	0.52	2.16	1.14
Electric fittings	0.48	-	-	0.48	0.48	-	-	0.48	-
Furniture	6.63	-	-	6.63	3.27	-	0.75	4.02	2.61
Office equipment	2.17	0.18	0.09	2.26	1.95	0.10	0.10	1.95	0.31
Leasehold improvements	0.47	-	-	0.47	0.01	-	0.09	0.10	0.37
Vehicles	8.78	3.74	0.70	11.82	3.23	0.22	1.20	4.21	7.61
Wind energy generators	283.72	-	-	283.72	269.53	-	-	269.53	14.19
Total	393.59	8.73	1.61	400.71	288.53	1.06	3.07	290.54	110.17

- (a) Excludes premises held as investment properties and given on lease disclosed as an investment. Correspondingly depreciation for the year on investment property amounting to ₹ 0.13 crore (previous year ₹ 0.13 crore) has been reduced from the said Investments under note 8.
- (b) Includes proportionate ownership in land consequent to acquisition of office premises under a deed of apartment, at an attributed cost of ₹ 2.94 crore.
- (c) All title deeds of immovable properties are held in the name of the Company.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

9B Capital work-in-progress

i) Movement in capital work-in-progress

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Carrying amount at the beginning of the year	4.09	4.09
Add: Additions	0.38	-
Less: Disposal / capitalisation	-	-
Carrying amount at the end of the year	4.47	4.09

ii) Capital work-in-progress ageing schedule

Current year

(₹ In Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.38	-	2.48	1.61	4.47

There are no projects temporarily suspended and hence not required to be disclosed separately

Previous year

(₹ In Crore)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	0.01	1.79	2.29	-	4.09

There are no projects temporarily suspended and hence not required to be disclosed separately

10 Other non-financial assets

(Unsecured, considered good, unless stated otherwise)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Capital advances	0.10	0.14
VAT refund receivable	0.49	0.49
GST receivable	4.37	2.00
Taxes and duties receivable	1.11	-
Others	0.06	0.09
	6.13	2.72

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

11 Trade payables

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	2.78	2.33

On the basis of information requested from vendors with regards to their registration (filing of Memorandum) under 'The Micro, Small and Medium Enterprises Development Act, 2006. (27 of 2006)' and in view of the terms of payments not exceeding 45 days, which has been promptly paid, no liability exists as at 31 March 2024 and 31 March 2023 and hence no disclosures have been made in this regard.

Trade payables ageing schedule

(₹ In Crore)

Particulars	Outstanding for following periods from due date of payment					Total
	Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
31 March 2024						
MSME	-	-	-	-	-	-
Others	2.76	0.02	-	-	-	2.78
31 March 2023						
MSME	-	-	-	-	-	-
Others	1.82	0.39	0.12	-	-	2.33

12 Other financial liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Unclaimed dividend	0.56	0.47
Directors' remuneration and commission payable	23.32	15.58
Employee benefits payable	23.31	19.77
Security deposits	2.14	2.14
Others	0.71	0.25
	50.04	38.21

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

13 Deferred tax liabilities (net)

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Deferred tax liabilities		
On account of timing difference in		
Property, plant and equipment	5.72	5.78
Retiral and other employee benefits		
Defined benefit plan provisions - P&L	1.73	1.45
Financial instruments		
Amortisation of premium/discount on acquisition of debt securities	0.02	0.01
Gross deferred tax liabilities	7.47	7.24
Deferred tax assets		
On account of timing difference in		
Retiral and other employee benefits		
Provision for compensated absences	0.60	0.62
Defined benefit plan provisions - OCI	2.82	1.96
Financial instruments		
Amortisation of premium/discount on acquisition of debt securities	0.10	0.11
Gross deferred tax assets	3.52	2.69
Deferred tax liabilities (net)	3.95	4.55

Movement in deferred tax liabilities/(assets)

(₹ In Crore)

Particulars	Property, plant and equipment	Financial instruments	Retiral and other employee benefits	Total
At 31 March 2022	5.75	(0.56)	(1.40)	3.79
(Charged)/credited				
- to profit and loss	0.03	0.46	0.49	0.98
- to other comprehensive income	-	-	(0.23)	(0.23)
At 31 March 2023	5.78	(0.10)	(1.14)	4.55
(Charged)/credited				
- to profit and loss	(0.06)	0.02	0.29	0.25
- to other comprehensive income	-	-	(0.85)	(0.85)
At 31 March 2024	5.72	(0.08)	(1.70)	3.95

14 Provisions

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Provision for employee benefits [See note 30]		
Provision for gratuity	4.30	2.06
Provision for compensated absences	2.38	2.45
	6.68	4.51

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

15 Other non-financial liabilities

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Taxes and duties payable	-	2.39
Other payables	0.70	0.49
	0.70	2.88

16 Equity share capital

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Authorised 2,000,000,000 equity shares of ₹ 1 each	200.00	200.00
Issued, subscribed and fully paid-up shares 1,595,488,813 (31 March 2023: 1,592,815,460) equity shares of ₹ 1 each	159.55	159.28
Less: 1,360,460 (31 March 2023: 180,560) equity shares of ₹ 1 each held in Trust for employees under ESOP scheme*	0.14	0.02
	159.41	159.26

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	₹ In Crore	Nos.	₹ In Crore
Equity shares				
At the beginning of the year	1,592,815,460	159.28	159,137,444	79.57
Add: Equity shares earlier held in abeyance, issued during the year (See note 16 d)	-	-	619	-
Add: Issued during the year to Trust for employees under ESOP scheme*	2,673,353	0.27	143,483	0.07
Before adjustment of sub-division of shares	1,595,488,813	159.55	159,281,546	79.64
Adjusted no. of shares on account of sub-division of equity share #	-	-	796,407,730	79.64
Add: Bonus shares issued during the year#	-	-	796,407,730	79.64
	1,595,488,813	159.55	1,592,815,460	159.28
Less: Equity shares held in trust for employees under ESOP scheme*	1,360,460	0.14	180,560	0.02
Outstanding at the end of the year	1,594,128,353	159.41	1,592,634,900	159.26

* On 31 July 2023, the Allotment Committee allotted 2,673,353 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. 8 August 2023.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

16 Equity share capital (Contd.)

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- i) Pursuant to approval of the Members
 - a) Sub-division of each existing equity share of face value of ₹ 5 (Rupees Five only) into Five (5) equity shares of face value of ₹ 1 (Rupees One only) fully paid- up and consequently the number of issued capital was increased from 159,281,546 equity shares of face value of ₹ 5 each into 796,407,730 equity shares of face value of ₹ 1 each.
 - b) Authorised share capital of the Company was increased from ₹ 100 crore consisting of 200,000,000 equity shares of face value of ₹ 5 each to ₹ 200 crore consisting of 2,000,000,000 equity shares of face value of ₹ 1 each post sub-division.
- ii) Subsequent to said approval, the Allotment Committee allotted 796,407,730 equity shares of face value of ₹ 1 each as bonus shares in the proportion of one bonus equity share of face value of ₹ 1 for every one equity share of face value of ₹ 1 held as on the record date, by capitalising an amount of ₹ 79.64 crore from securities premium. The bonus shares were listed on BSE Ltd. and National Stock Exchange of India Ltd. w.e.f. 22 September 2022.
- iii) Consequently, in terms of the Employee Stock Option Scheme of the Company, the grant price and the number of outstanding stock options in respect of stock options granted under the Employee Stock Option Scheme were proportionately adjusted.

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of ₹ 1 per share. Each holder of equity shares is entitled to one vote per share. The interim dividend declared by the Board of Directors and the final dividend proposed by the Board of Directors and approved by the shareholders in the annual general meeting is paid in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c. Details of shareholders holding more than 5% shares in the Company

Particulars	As at 31 March 2024		As at 31 March 2023	
	Nos.	% Holding	Nos.	% Holding
Equity shares of ₹ 1 each fully paid				
Bajaj Holdings & Investment Ltd.	623,142,140	39.06%	623,142,140	39.12%
Jamnalal Sons Pvt. Ltd.	154,900,840	9.71%	154,750,840	9.72%

d. Shares reserved for issue at a subsequent date

137,980 equity shares of ₹ 1 each (31 March 2023: 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. In the previous year, the Company issued 619 (before sub division (split) and bonus issue) of such equity shares at the offered price of ₹ 650, thereby collecting ₹ 0.04 crore as premium. During the year the Company did not issue any such equity shares.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

16 Equity share capital (Contd.)**e. Details of promoter shareholding****Shares held by promoters at the end of the year**

Promoter/Promoter group name	As at 31 March 2024			As at 31 March 2023		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Deepa Bajaj	1,000	-	(0.01%)	125,125	0.01%	(0.01%)
Geetika Bajaj	2,479,000	0.16%	-	2,479,000	0.16%	-
Kiran Bajaj	3,925,600	0.22%	-	3,925,600	0.22%	(0.05%)
Kriti Bajaj	742,000	0.05%	-	742,000	0.05%	-
Kumud Bajaj	500,000	0.03%	-	500,000	0.03%	-
Madhur Bajaj	500,000	0.02%	-	500,000	0.02%	-
Minal Bajaj	642,000	0.04%	-	642,000	0.04%	-
Neelima Bajaj Swami	500,000	0.03%	-	500,000	0.03%	-
Nimisha Jaipuria	500,000	0.03%	-	500,000	0.03%	-
Niraj Bajaj	2,953,150	0.19%	(0.04%)	3,588,150	0.23%	-
Niravnayan Bajaj	2,058,660	0.13%	-	2,058,660	0.13%	-
Estate of Rahulkumar Bajaj	-	-	(0.03%)	556,620	0.03%	-
Rajivnayan Bajaj	1,000	-	(0.04%)	576,590	0.04%	(0.03%)
Rishabhayan Bajaj	112,320	0.01%	0.01%	38,000	-	-
Sanjali Bajaj	903,690	0.06%	0.01%	792,370	0.05%	0.02%
Sanjivnayan Bajaj	3,618,050	0.23%	-	3,618,050	0.23%	0.02%
Shefali Bajaj	525,990	0.03%	-	525,990	0.03%	-
Shekhar Bajaj	1,630,260	0.10%	(0.02%)	1,930,260	0.12%	(0.02%)
Siddhantnayan Bajaj	903,690	0.06%	0.01%	792,370	0.05%	0.02%
Suman Jain	5,783,290	0.36%	-	5,783,878	0.36%	-
Sunaina Kejriwal	6,889,380	0.43%	(0.01%)	6,989,380	0.44%	-
Nirvaan Kejriwal	111,330	0.01%	0.01%	-	-	-
Pooja Bajaj	744,360	0.04%	0.01%	444,360	0.03%	0.02%
Vanraj Bajaj	332,360	0.02%	-	332,360	0.02%	0.01%
Sheetal Bajaj	249,000	0.02%	-	270,000	0.02%	-
Bachhraj and Company Pvt. Ltd.	21,613,745	1.35%	0.08%	20,149,780	1.27%	-
Bachhraj Factories Pvt. Ltd.	10,787,870	0.68%	-	10,787,870	0.68%	-
Bajaj Auto Holdings Ltd.	2,090,050	0.13%	-	2,090,050	0.13%	-
Bajaj Holdings & Investment Ltd.	623,142,140	39.06%	(0.06%)	623,142,140	39.12%	(0.04%)
Bajaj Sevashram Pvt. Ltd.	26,685,025	1.67%	0.03%	26,050,025	1.64%	0.14%
Baroda Industries Pvt. Ltd.	9,190,010	0.58%	-	9,190,010	0.58%	-
Hercules Hoists Ltd.	1,105,630	0.07%	0.01%	920,630	0.06%	-
Jamnalal Sons Pvt. Ltd.	154,900,840	9.71%	(0.01%)	154,750,840	9.72%	0.08%
Kamalnayan Investment & Trading Pvt. Ltd.	900,000	0.06%	0.01%	750,000	0.05%	0.01%
Madhur Securities Pvt. Ltd.	941,000	0.06%	0.03%	552,000	0.03%	-
Maharashtra Scooters Ltd.	37,932,400	2.38%	-	37,932,400	2.38%	0.04%

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

16 Equity share capital (Contd.)

Promoter/Promoter group name	As at 31 March 2024			As at 31 March 2023		
	Nos.	% Holding	% Change during the year	Nos.	% Holding	% Change during the year
Niraj Holdings Pvt. Ltd.	244,000	0.02%	-	244,000	0.02%	0.01%
Rahul Securities Pvt. Ltd.	2,074,000	0.13%	0.02%	1,685,000	0.11%	0.02%
Rupa Equities Pvt. Ltd.	2,011,000	0.13%	0.03%	1,622,000	0.10%	0.01%
Shekhar Holdings Pvt. Ltd.	834,000	0.05%	0.02%	445,000	0.03%	0.01%
Hindustan Housing Company Ltd.	80,000	0.01%	-	80,000	0.01%	-
Nimisha Trust (Madhur Bajaj)	14,000	-	-	14,000	-	-
Deepa Trust (Niraj Bajaj)	11,000	-	-	11,000	-	-
Aryaman Kejriwal	111,330	0.01%	0.01%	-	-	-
Nirav Trust	21,000	-	-	-	-	-
Niravnayan Trust (Niraj Bajaj)	4,355,000	0.27%	-	4,355,000	0.27%	-
Rishab Trust (Rajivnayan Bajaj)	11,000	-	-	11,000	-	-
Sanjali Trust (Sanjivnayan Bajaj)	11,000	-	-	11,000	-	-
Siddhant Trust (Sanjivnayan Bajaj)	22,000	-	-	22,000	-	-
Nirvaan Trust (Sunaina Kejriwal)	1,000	-	-	1,000	-	-
Aryaman Trust (Manish Kejriwal)	1,220	-	-	1,220	-	-
Anant Bajaj Trust (Shekhar Bajaj)	405,000	0.03%	-	405,000	0.03%	0.03%
Sanjali Family Trust (Sanjivnayan Bajaj)	444,000	0.03%	-	444,000	0.03%	-
Siddhant Family Trust (Sanjivnayan Bajaj)	433,000	0.03%	-	433,000	0.03%	-
Rishab Family Trust (Rajivnayan Bajaj)	1,000	-	(0.13%)	2,284,250	0.13%	(0.25%)
Aryaman Family Trust (Manish Kejriwal)	1,094,000	0.06%	(0.02%)	1,194,000	0.08%	-
Nirvaan Family Trust (Sunaina Kejriwal)	1,094,000	0.06%	(0.02%)	1,194,000	0.08%	-
Neelima Bajaj Swamy Family Trust (Neelima Bajaj Swamy)	2,320,190	0.15%	-	2,320,190	0.15%	-
Nimisha Jaipuria Family Trust (Nimisha Jaipuria)	2,382,730	0.15%	-	2,382,730	0.15%	-
Neelima Bajaj Family Trust (Kumud Bajaj)	3,630,240	0.23%	-	3,630,240	0.23%	-
Nimisha Bajaj Family Trust (Madhur Bajaj)	3,553,700	0.22%	-	3,553,700	0.22%	-
Niravnayan Bajaj Family Trust (Niraj Bajaj)	5,500,000	0.34%	-	5,500,000	0.34%	-
Kriti Bajaj Family Trust (Minal Bajaj)	1,000,000	0.06%	-	1,000,000	0.06%	-
Geetika Shekhar Bajaj Trust (Shekhar Bajaj)	5,245,000	0.33%	0.01%	5,245,000	0.32%	(0.03%)
Kumud Neelima Family Trust (Madhur Bajaj)	1,362,610	0.09%	-	1,362,610	0.09%	-
Kumud Nimisha Family Trust (Madhur Bajaj)	1,362,610	0.09%	-	1,362,610	0.09%	-
Madhur Neelima Family Trust (Kumud Bajaj)	1,362,610	0.09%	-	1,362,610	0.09%	-
Madhur Nimisha Family Trust (Kumud Bajaj)	1,362,620	0.09%	-	1,362,620	0.09%	-
Total	968,249,700	60.69%	(0.09%)	968,065,288	60.78%	0.01%

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

17 Other equity**a Reserves and surplus**

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Securities premium		
Balance as at the beginning of the year	968.50	941.27
Add: Received during the year (See note 16 d.)	-	0.04
Add: On issue of shares to Trust for employees pursuant to ESOP scheme	232.75	77.46
Less: On issue of bonus shares	-	(79.64)
Less: Share issue expenses	-	(1.98)
Add: On exercise of options by employees pursuant to ESOP scheme	37.12	31.35
	1,238.37	968.50
Less: Premium on equity shares held in Trust for employees under the ESOP scheme	(139.89)	(8.91)
Balance as at the end of the year	1,098.48	959.59
General reserve		
Balance as at the beginning and the end of the year	1,213.79	1,197.14
Add: Transfer on cancellation of stock options	5.79	16.65
Balance as at the end of the year	1,219.58	1,213.79
Share based payments reserve		
Balance as at the beginning of the year	313.57	219.04
Add: Recognition of share based payments to employees of the Company	17.46	25.20
Add: Recognition of share based payments to employees of subsidiaries (net)	148.25	117.33
Less: Transfer on cancellation of stock options	(5.79)	(16.65)
Less: Transfer on exercise of options by employees pursuant to ESOP scheme	(37.12)	(31.35)
Balance as at the end of the year	436.37	313.57
Treasury shares		
Balance as at the beginning of the year	(117.48)	(119.97)
Add: Movement during the year	13.17	2.49
Balance as at the end of the year	(104.31)	(117.48)
Retained earnings		
Balance as at the beginning of the year	2,719.34	2,051.15
Profit for the year	1,170.06	732.52
Items of other comprehensive income recognised directly in retained earnings		
Actuarial losses of defined benefit plans	(2.53)	(0.68)
Less: Appropriations		
Final dividend, declared and paid during the year	127.43	63.65
Total appropriations	127.43	63.65
Balance as at the end of the year	3,759.44	2,719.34
	6,409.56	5,088.81

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

17 Other equity (Contd.)

b Nature and purpose of reserve

Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes in accordance with section 52 and other provisions of the Companies Act, 2013.

General reserve

General reserve is free reserve available for distribution as recommended by Board in accordance with requirements of the Companies Act, 2013.

Share based payments reserve

Share based payments reserve is created as required by Ind AS 102 'Share Based Payments' on the employee stock option scheme operated by the Company.

Treasury shares

The reserve for shares of the Company held by the BFS ESOP Trust (ESOP Trust). The Company has issued employees stock option scheme for its employees. The equity shares of the 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.

Retained earnings

Retained earnings represents the surplus in profit and loss account that the Company has earned till date, less any transfers to general reserve, special reserve, dividends or other distributions paid to shareholders, reclassification of gain/(loss) on sale of FVTOCI equity instruments and balance of rereasurement of net defined benefit plans. Retained earnings is a free reserve.

18 Interest income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Interest income on		
Investments (at amortised cost)	155.85	97.24
	155.85	97.24

19 Windpower income

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Income from power generation (within India) [See note 29]	22.80	21.25
Income from Renewable Energy Certificates (REC) (within India)	1.28	1.91
	24.08	23.16

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

20 Net gain on fair value changes

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Net gain/(loss) on financial instruments at FVTPL	8.89	5.55
Others		
Gain/(loss) on sale of debt instruments at amortised cost	0.11	(0.07)
	9.00	5.48
Fair value changes		
Realised	8.90	5.51
Unrealised	(0.01)	0.04
	8.89	5.55

21 Other income

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Business support service	33.91	70.83
Miscellaneous receipts	-	0.18
Surplus on sale of property, plant and equipment (net)	0.25	0.06
Provision no longer required	0.46	0.07
	34.62	71.14

22 Employee benefits expenses

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Salaries, wages and bonus to employees	102.49	81.77
Contribution to provident and other funds	6.26	6.01
Share based payments to employees	17.46	25.20
Staff welfare expenses	0.62	1.23
	126.83	114.21

23 Depreciation, amortisation and impairment

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Depreciation on property, plant and equipment	3.35	3.07
Depreciation on investment property	0.13	0.13
	3.48	3.20

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

24 Other expenses

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Rent	3.15	3.00
Repairs to buildings	5.48	4.70
Repairs to machinery - windpower	8.75	11.11
Repairs to others	0.06	0.02
Energy generation expenses	0.11	0.32
REC registration, issuance and brokerage charges	0.11	0.12
Rates and taxes	1.12	0.53
Insurance	0.83	0.77
Payment to auditor	0.31	0.29
Directors' fees and travelling expenses	1.84	0.90
Commission to non-executive directors	3.09	1.72
Loss on sale of property, plant and equipment	0.12	0.04
Travelling (including foreign travel) expenses	1.47	0.25
Business support service expenses	1.87	1.95
Expenditure towards Corporate Social Responsibility (CSR) activities	0.64	0.56
Legal and professional charges	11.79	7.88
Training and conference expenses	7.68	6.75
Miscellaneous expenses	18.26	14.67
	66.68	55.58
Payment to auditor		
As auditor		
Audit fee	0.15	0.15
Tax audit fee	0.03	0.02
Limited review	0.09	0.09
Other services (certification fees and other matters)	0.02	0.01
Reimbursement of expenses	0.02	0.02
	0.31	0.29

Expenditure towards Corporate Social Responsibility (CSR) activities

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
Gross amount required to be spent by the Company during the year	0.61	0.52
Amount spent in cash during the year on:		
i) Construction/acquisition of any asset	-	-
ii) On purposes other than (i) above	0.64	0.56
	0.64	0.56

There is no shortfall at the end of the year out of the amount required to be spent by the Company.

The Company's corporate social responsibility initiatives are strategically directed towards areas of skilling for employment and child health programmes. It also includes support to its self-implemented employability initiative CPBFI.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

25 Tax expense

Particulars	(₹ In Crore)	
	For the year ended 31 March	
	2024	2023
(a) Tax expense		
Current tax		
Current tax on profits for the year	366.61	241.12
Deferred tax		
Decrease/(increase) in deferred tax assets	0.03	1.30
(Decrease)/increase in deferred tax liabilities	0.22	(0.32)
Total deferred tax expense/(benefit)	0.25	0.98
Tax expense	366.86	242.10
(b) Reconciliation of tax expense and the accounting profit multiplied by statutory tax rate		
Profit before tax	1,536.92	974.62
Tax at the statutory tax rate of 25.17%	386.84	245.31
Tax on expenditure not considered for tax provision	12.46	11.40
Deduction under section 80M - Dividend paid	(32.07)	(16.02)
Tax on income not subject to tax	(0.37)	1.41
Tax expense	366.86	242.10

26 Earnings per share (EPS)

Particulars	For the year ended 31 March	
	2024	2023
Profit for the year (₹ In Crore)	1,170.06	732.52
Weighted average number of shares outstanding during the year (Nos)	1,592,815,460	1,591,378,408
Weighted average number of shares outstanding during the year (Nos) - Diluted	1,608,289,294	1,604,279,313
Earnings per share (Basic) ₹	7.3	4.6
Earnings per share (Diluted) ₹	7.3	4.6
Face value per share ₹	1.0	1.0

27 Contingent liabilities

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
a. Claims against the Company not acknowledged as debts	0.05	8.53
b. Income-tax matters under dispute		
Appeal by Company	6.31	6.31
c. Value Added Tax (VAT), service tax and GST matters under dispute	1.72	1.47

In all the cases mentioned above, outflow is not probable and hence not provided by the Company.

It is not practicable for the Company to estimate the timings of the cash flows, if any, in respect of the above pending resolution of the respective proceedings.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

28 Capital and other commitments

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Capital commitments, net of capital advances	3.80	0.22
Partly paid share warrants*	891.64	-
Commitment for acquisition by subsidiary#	325.00	-

*The Company has 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 are allotted on 2 November 2023. The Company has paid 25% of the issue price amounting to ₹ 297.21 crore and the remaining 75% of the consideration amounting to ₹ 891.64 crore shall be payable on the exercise of warrants or within a period of eighteen months from the date of allotment, whichever is earlier.

The Company has agreed to invest a sum of ₹ 325 crore in Bajaj Finserv Health Ltd., a wholly owned subsidiary of the Company to complete the acquisition of Vidal Healthcare Services Pvt. Ltd.

29 Details of windpower generation and turnover

Particulars	For the year ended 31 March			
	2024		2023	
	Units (In Lakh)	Value (₹ In Crore)	Units (In Lakh)	Value (₹ In Crore)
Credit for units brought forward from previous year	41	1.04	50	1.49
Gross generated, during the year	904	22.80	832	21.16
Sold, during the year	892	22.49	841	21.61
Credits receivable	53	1.35	41	1.04

The Company has 10,605 (Previous year 39,732) renewable energy certificates (REC).

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

30 Employee benefit plans

Liability for employee benefits has been determined by an actuary, appointed for the purpose, in conformity with the principles set out in the Ind AS 19, the details of which are as hereunder.

Funded schemes**Gratuity**

The Company provides for gratuity payments to employees. The gratuity benefit payable to the employees of the Company is greater of the provisions of the Payment of Gratuity Act, 1972 and the Company's gratuity scheme. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The gratuity plan is a funded plan and the Company makes contributions to approved gratuity fund.

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Amount recognised in Balance Sheet		
Present value of funded defined benefit obligation	26.68	23.58
Fair value of plan assets	22.38	21.52
Net funded obligation	4.30	2.06
Expense recognised in the Statement of Profit and Loss		
Current service cost	1.74	1.99
Interest on net defined benefit liability/(asset)	0.12	0.17
Total expense charged to Statement of Profit and Loss	1.86	2.16
Amount recorded as Other Comprehensive Income		
Opening amount recognised in OCI outside Statement of Profit and Loss	7.80	6.89
Remeasurements during the period due to		
Changes in financial assumptions	0.41	(0.32)
Experience adjustments	2.81	0.78
Actual return on plan assets less interest on plan assets	0.16	0.45
Closing amount recognised in OCI outside Statement of Profit and Loss	11.18	7.80
Reconciliation of net liability/(asset)		
Opening net defined benefit liability/(asset)	2.06	2.85
Expense charged to Statement of Profit and Loss	1.86	2.16
Amount recognised outside Statement of Profit and Loss	3.38	0.91
Employer contributions	(3.00)	(3.86)
Closing net defined benefit liability/(asset)	4.30	2.06
Movement in benefit obligation		
Opening of defined benefit obligation	23.58	21.23
Current service cost	1.74	1.99
Interest on defined benefit obligation	1.60	1.43
Remeasurements due to		
Actuarial loss/(gain) arising from change in financial assumptions	0.41	(0.32)
Actuarial loss/(gain) arising on account of experience changes	2.81	0.78
Benefits paid/transferred	(3.20)	-
Liabilities assumed/(settled)*	(0.26)	(1.53)
Closing of defined benefit obligation	26.68	23.58

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

30 Employee benefit plans (Contd.)

Particulars	(₹ In Crore)	
	As at 31 March	
	2024	2023
Movement in plan assets		
Opening fair value of plan assets	21.52	18.38
Employer contributions	3.00	3.86
Interest on plan assets	1.48	1.24
Remeasurements due to		
Actual return on plan assets less interest on plan assets	(0.16)	(0.45)
Benefits paid	(3.20)	-
Assets acquired/(settled) *	(0.26)	(1.51)
Closing fair value of plan assets	22.38	21.52
* On account of inter group transfer		
Disaggregation of assets		
Category of assets		
Insurer managed funds	22.38	21.52
Others	-	-
Grand Total	22.38	21.52

Sensitivity analysis

Gratuity is a lump sum plan and the cost of providing these benefits is typically less sensitive to small changes in demographic assumptions. The key actuarial assumptions to which the benefit obligation results are particularly sensitive to are discount rate and future salary escalation rate. The following table summarises the impact in percentage terms on the reported defined benefit obligation at the end of the reporting period arising on account of an increase or decrease in the reported assumption by 50 basis points.

	As at 31 March 2024		As at 31 March 2023	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Senior staff				
Impact of increase in 50 bps on DBO	(2.59%)	2.62%	(2.77%)	2.82%
Impact of decrease in 50 bps on DBO	2.71%	(2.54%)	2.90%	(2.72%)
Junior staff				
Impact of increase in 50 bps on DBO	(8.93%)	9.76%	(9.49%)	10.46%
Impact of decrease in 50 bps on DBO	10.08%	(8.75%)	10.77%	(9.33%)

These sensitivities have been calculated to show the movement in defined benefit obligation in isolation and assuming there are no other changes in market conditions at the accounting date. There have been no changes from the previous periods in the methods and assumptions used in preparing the sensitivity analysis.

Funding arrangement and policy

The money contributed by the Company to the fund to finance the liabilities of the plan has to be invested. The trustees of the plan have outsourced the investment management of the fund to insurance companies. The insurance companies in turn manage these funds as per the mandate provided to them by the trustees and the asset allocation which is within the permissible limits prescribed in the insurance regulations.

There is no compulsion on the part of the Company to fully pre fund the liability of the Plan. The Company's philosophy is to fund the benefits based on its own liquidity and tax position as well as level of under funding of the plan.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

30 Employee benefit plans (Contd.)

The expected contribution payable to the plan next year is ₹ 3.10 crore

Projected plan cash flow

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan

	(₹ In Crore)				
	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31 March 2024					
Senior staff	4.26	0.36	1.61	32.55	38.78
Junior staff	0.01	0.01	0.07	8.50	8.59
31 March 2023					
Senior staff	4.32	0.29	1.12	29.88	35.61
Junior staff	0.01	0.01	0.08	10.08	10.18

Particulars	As at 31 March	
	2024	2023
Weighted average duration of defined benefit obligation (in years)		
Senior staff	5.29	5.67
Junior staff	18.95	20.20

Particulars	As at 31 March	
	2024	2023
Principal actuarial assumptions (expressed as weighted averages)		
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%

The estimates of future salary increases, considered in actuarial valuation, takes into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

Unfunded schemes

Particulars	(₹ In Crore)	
	Compensated absences	
	As at 31 March	
	2024	2023
Present value of unfunded obligations	2.38	2.45
Expense recognised in the Statement of Profit and Loss	1.60	0.87
Amount recorded as Other Comprehensive Income	-	-
Discount rate (p.a.)	7.20%	7.45%
Salary escalation rate (p.a.) - senior staff	10.00%	10.00%
Salary escalation rate (p.a.) - junior staff	10.00%	10.00%

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

30 Employee benefit plans (Contd.)

Amount recognised in the Statement of Profit and Loss

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Defined contribution plans		
Provident fund paid to Government authorities	3.15	2.59
Superannuation paid to trust	0.94	0.91
Pension fund paid to Government authorities	0.10	0.14
Others	0.20	0.17
Defined benefit plans		
Gratuity	1.86	2.06
Others	0.01	0.14
Total	6.26	6.01

31 Segment information

The Company is essentially a investment company and has no products and services which are reportable as per Ind AS 108 dealing with operating segments.

32 Disclosure of transactions with related parties as required by Ind AS 24

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2023-24		2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A Subsidiaries					
Bajaj Allianz General Insurance Co. Ltd. (74 % shares held by Bajaj Finserv Ltd.)	Investment in equity (81,568,165 shares of ₹ 10 each)	-	81.57	-	81.57
	Dividend received	220.23	-	79.94	-
	Rent received	2.09	-	1.93	-
	Deposit received	-	(2.14)	-	(2.14)
	Insurance expense	0.80	1.01	1.24	0.70
	Reimbursements for share based payments	50.60	-	49.80	-
	Business support services rendered	4.96	-	6.65	-
	Protection fee for brand usage recovered	0.11	-	0.11	-
	Revenue expenses reimbursement received	1.81	-	0.92	-
Bajaj Allianz Life Insurance Co. Ltd. (74 % shares held by Bajaj Finserv Ltd.)	Investment in equity (111,524,660 shares of ₹ 10 each)	-	111.53	-	111.53
	Dividend received	334.57	-	233.09	-
	Reimbursements for share based payments	58.46	-	45.04	-
	Business support services rendered	6.72	2.20	6.23	1.13
	Protection fee for brand usage recovered	0.11	-	0.11	-
	Insurance expense	0.13	0.08	0.25	0.01
	Security deposit paid/(received back)	-	-	(0.06)	-
	Revenue expenses reimbursement received	2.29	-	0.90	-
	Revenue expenses reimbursement paid	-	-	0.04	-
	Business support services received	-	-	0.08	-

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

32 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2023-24		2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Bajaj Finance Ltd. (51.34% shares held by Bajaj Finserv Ltd.)	Investment in equity (317,816,130 shares of ₹ 2 each)	-	1,910.73	-	1,910.73
	Investment in non-convertible debentures	-	695.00	-	770.00
	Investment/(maturity) in ICDs	550.00	550.00	-	-
	Investment in equity warrants (1,550,000 warrants of ₹ 2 each)	297.21	297.21	-	-
	Redemption of non-convertible debentures	75.00	-	415.00	-
	Interest received on non-convertible debentures	52.10	-	50.50	-
	Reimbursements for share based payments	2.89	-	2.34	2.76
	Dividend received	953.45	-	635.63	-
	Employee car transfer	0.09	-	0.15	-
	Asset transfer	-	-	0.07	0.09
	Business support services received	1.42	-	1.55	-
	Business support services rendered	13.61	-	40.21	1.28
	Protection fee for brand usage recovered	0.15	-	0.15	-
	Revenue expenses reimbursement received	3.47	-	1.08	-
Revenue expenses reimbursement paid	0.01	-	-	-	
Interest accrued but not due on bonds	-	33.80	-	36.33	
Interest accrued but not due on ICD	-	31.72	-	-	
Bajaj Finserv Direct Ltd. (80.13% shares held by Bajaj Finserv Ltd.)	Investment in equity (2,500,000 shares of ₹ 10 each)	-	2.50	-	2.50
	Deemed equity at cost for Bajaj Finserv Direct Ltd.	-	522.93	-	522.93
	Reimbursements for share based payments	8.58	-	6.76	-
	Business support services rendered	1.18	0.04	2.36	-
	Revenue expenses reimbursement received	0.49	-	0.19	-
Bajaj Finserv Health Ltd. (Fully owned subsidiary)	Investment in equity (2,499,994 shares of ₹ 10 each)	-	2.50	-	2.50
	Deemed equity at cost for Bajaj Finserv Health Ltd.	235.00	692.50	220.00	457.50
	Business support services rendered	2.88	-	4.06	0.19
	Reimbursements for share based payments	19.81	-	10.85	0.95
	Revenue expenses reimbursement received	0.37	-	0.15	-
Bajaj Finserv Ventures Ltd. (Fully owned subsidiary)	Investment in equity (2,500,000 shares of ₹ 10 each)	-	2.50	-	2.50
	Deemed equity at cost for Bajaj Finserv Ventures Ltd.	70.00	225.00	70.00	155.00
	Revenue expenses reimbursement received	0.09	-	-	-
	Business support services rendered	0.70	-	0.60	-
Bajaj Finserv Asset Management Ltd. (Fully owned subsidiary)	Investment in equity (200,000,000 shares of ₹ 10 each)	200.00	300.00	40.00	100.00
	Revenue expenses reimbursement received	0.13	-	0.06	-
	Business support services rendered	2.31	-	6.40	1.65
	Employee car transfer	-	-	0.40	-
	Reimbursements for share based payments	7.25	-	1.94	-

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

32 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ In Crore)

Name of related party and nature of relationship	Nature of transaction	2023-24		2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Bajaj Finserv Mutual fund Trustee Ltd. (Fully owned subsidiary)	Investment in equity [350,000 shares of ₹ 10 each (Previous year 100,000 shares of ₹ 10 each)]	0.25	0.35	0.05	0.10
Bajaj Housing Finance Ltd. (Fully owned subsidiary of Bajaj Finance Ltd.)	Investment in non-convertible debentures/ commercial paper	-	400.00	-	550.00
	Interest accrued but not due	-	9.93	-	10.28
	Redemption of non-convertible debentures	150.00	-	-	-
	Interest received on non-convertible debentures	36.12	-	20.81	-
	Business support services rendered	0.64	-	3.44	-
	Revenue expenses reimbursement received	0.68	-	0.19	-
	Reimbursements for share based payments	0.65	-	0.60	0.71
Bajaj Financial Securities Ltd. (Fully owned subsidiary of Bajaj Finance Ltd.)	Business support services rendered	0.09	-	0.05	-
	Revenue expenses reimbursement received	0.08	-	-	-
B Associates, joint ventures and investing parties					
Bajaj Holdings & Investment Ltd. (investing party)	Contribution to equity (623,142,140 shares of ₹ 1 each)	-	(62.31)	-	(62.31)
	Dividend paid	49.85	-	24.93	-
	Business support services received	0.10	-	0.06	0.04
	Business support services rendered	0.45	-	0.46	-
	Revenue expenses reimbursement received	0.01	-	0.06	-
	Revenue expenses reimbursement paid	1.95	-	1.00	-
Bajaj Allianz Financial Distributors Ltd. (a joint venture - 50% shares held by Bajaj Finserv Ltd.)	Investment in equity (1,200,000 shares of ₹ 10 each)	-	1.20	-	1.20
	Services received	2.60	-	2.02	-
Bajaj Allianz Staffing Solutions Ltd.	Services received	0.27	-	0.26	-
C Key management personnel and their relatives					
Sanjiv Bajaj (Chairman & Managing Director) (Also Key management personnel)	Short-term employee benefits (including commission and perquisite)	29.63	(20.23)	21.69	(13.86)
	Post-employment benefits	2.04	-	1.63	-
	Deposit paid	-	1.08	-	1.08
	Rent paid	1.15	-	1.10	-
Madhur Bajaj	Sitting fees	0.07	-	0.06	-
	Commission	0.21	(0.21)	0.12	(0.12)
Rajiv Bajaj	Sitting fees	0.05	-	0.06	-
	Commission	0.15	(0.15)	0.12	(0.12)
Shefali Bajaj	Deposit paid	-	0.41	-	0.41
	Rent paid	0.50	-	0.48	-
Siddhant Bajaj	Stipend paid	-	-	0.01	-
Late D J Balaji Rao	Sitting fees	0.11	-	0.14	-
	Commission	0.33	(0.33)	0.28	(0.28)
Dr. Naushad Forbes	Sitting fees	0.20	-	0.18	-
	Commission	0.60	(0.60)	0.36	(0.36)

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

32 Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

		(₹ In Crore)			
Name of related party and nature of relationship	Nature of transaction	2023-24		2022-23	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Manish Kejriwal	Sitting fees	0.10	-	0.13	-
	Commission	0.30	(0.30)	0.26	(0.26)
Anami Roy	Sitting fees	0.18	-	0.09	-
	Commission	0.54	(0.54)	0.18	(0.18)
Radhika Haribhakti	Sitting fees	0.15	-	0.08	-
	Commission	0.45	(0.45)	0.16	(0.16)
Pramit Jhaveri	Sitting fees	0.17	-	0.12	-
	Commission	0.51	(0.51)	0.24	(0.24)
D Other entities/persons					
Bajaj Auto Ltd.	Sale of windpower	-	-	0.66	-
	Open access charges reimbursement	-	-	0.52	-
	Business support services received	0.34	-	0.20	-
	Revenue expenses reimbursement paid	0.04	-	0.05	-
	Purchase of property, plant and equipment	-	-	2.27	-
Bajaj Electricals Ltd.	Purchases	-	-	0.04	-
Hindustan Housing Co. Ltd.	Contribution to equity (80,000 shares of ₹ 1 each)	-	(0.01)	-	(0.01)
	Dividend paid	0.01	-	-	-
Hercules Hoists Ltd.	Contribution to equity [1,105,630 shares of ₹ 1 each (Previous year 920,630 shares of ₹ 1 each)]	-	(0.11)	-	(0.09)
	Dividend paid	0.09	-	0.04	-
Bajaj Auto Holdings Ltd.	Contribution to equity (2,090,050 shares of ₹ 1 each)	-	(0.21)	-	(0.21)
	Dividend paid	0.17	-	0.08	-
Hind Musafir Agency Ltd.	Services received	0.50	-	0.11	-
Mukand Ltd.	Sale of windpower	-	-	0.25	-
Maharashtra Scooters Ltd.	Contribution to equity (37,932,400 shares of ₹ 1 each)	-	(3.79)	-	(3.79)
	Dividend paid	3.03	-	1.49	-
Sanjali Family Trust	Rent paid	0.63	-	0.60	-
	Security deposit paid	-	0.14	-	0.14
	Revenue expenses reimbursement paid	0.09	-	0.09	-
Indian School of Business	Training expenses	3.21	-	1.39	-
Bajaj Auto Employees Superannuation Fund	Superannuation contribution	0.94	-	0.91	-
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	0.01	-	-	-
Bajaj Auto Senior staff Group Gratuity Fund	Gratuity contribution	3.00	-	4.00	-
Bajaj Finserv Charitable Trust	CSR payment	-	-	0.50	-

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 standalone financial statements for the year ended 31 March 2024 (Contd.)

33 Lease

As a lessor

The Company has given a premise on operating lease. This lease arrangement is for a period of five years and is a cancellable lease. This lease agreement is renewable for further period on mutually agreeable terms and also includes escalation clause.

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
i) Office premise		
Gross carrying amount	8.25	8.25
Depreciation for the year	0.13	0.13
Accumulated depreciation	3.27	3.14
ii) The total future minimum lease rentals receivable at the balance sheet date is as under		
Receivable		
Within one year	2.22	2.10
After one year but not more than five years	0.94	3.13
More than five years	-	-
	3.16	5.23

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

34 Fair value measurement**i) Financial instruments by category**

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	FVTPL	FVTOCI	Amortised cost	FVTPL	FVTOCI	Amortised cost
Financial assets						
Investments						
Bonds and debentures	-	-	1,093.85	-	-	1,318.83
Liquid mutual funds	46.04	-	-	78.27	-	-
Certificate of deposits	-	-	507.98	-	-	312.23
Inter corporate deposits	-	-	550.00	-	-	-
Cash and cash equivalents	-	-	20.97	-	-	7.24
Other bank balances	-	-	0.56	-	-	0.47
Trade receivables	-	-	0.79	-	-	0.82
Other financial assets	-	-	83.44	-	-	59.93
Total financial assets	46.04	-	2,257.59	78.27	-	1,699.52
Financial liabilities						
Trade payables	-	-	2.78	-	-	2.33
Other financial liabilities	-	-	50.04	-	-	38.21
Total financial liabilities	-	-	52.82	-	-	40.54

ii) Fair value hierarchy

This section explains the basis of estimates made in determining the fair values of the financial instruments that are

- recognised and measured at fair value and
- measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the Accounting Standard, which are explained herein below.

Financial assets measured at fair value - recurring fair value measurements as at 31 March 2024

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	6B	46.04	-	-	46.04
Total financial assets		46.04	-	-	46.04

Financial assets which are measured at amortised cost for which fair values as at 31 March 2024 are disclosed below

(₹ In Crore)

Particulars	Notes	Level 1	Level 2	Level 3	Total
Bonds and debentures	6B	1,089.23	-	-	1,089.23
Certificate of deposits	6B	507.98	-	-	507.98
Inter corporate deposits	6B	-	550.00	-	550.00
Total financial assets		1,597.21	550.00	-	2,147.21

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

34 Fair value measurement (Contd.)

Assets disclosed at fair value - as at 31 March 2024

Particulars	Notes				(₹ In Crore)
		Level 1	Level 2	Level 3	Total
Investment property	8	-	41.22	-	41.22

Financial assets measured at fair value - recurring fair value measurements as at 31 March 2023

Particulars	Notes				(₹ In Crore)
		Level 1	Level 2	Level 3	Total
Financial investments at FVTPL					
Liquid mutual funds	6B	78.27	-	-	78.27
Total financial assets		78.27	-	-	78.27

Financial assets which are measured at amortised cost for which fair values as at 31 March 2023 are disclosed below

Particulars	Notes				(₹ In Crore)
		Level 1	Level 2	Level 3	Total
Bonds and debentures	6B	1,298.57	-	-	1,298.57
Certificate of deposit	6B	312.23	-	-	312.23
Total financial assets		1,610.80	-	-	1,610.80

Assets disclosed at fair value - as at 31 March 2023

Particulars	Notes				(₹ In Crore)
		Level 1	Level 2	Level 3	Total
Investment property	8	-	40.26	-	40.26

Valuation principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price), regardless of whether that price is directly observable or estimated using a valuation technique.

In order to show how fair values have been derived, financial instruments are classified based on a hierarchy of valuation techniques, as explained below

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices in active markets. Quotes would include rates/values/valuation references published periodically by BSE, NSE etc. basis which trades take place in a linked or unlinked active market. This includes traded bonds and mutual funds, as the case may be, that have quoted price/rate/value.

Level 2: The fair value of financial instruments that are not traded in an active market are determined using valuation techniques which maximise the use of observable market data (either directly as prices or indirectly derived from prices) and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

34 Fair value measurement (Contd.)**Valuation techniques used to determine fair value**

Valuation techniques used to determine fair value include

- Open ended mutual funds and certain bonds and debentures at NAV's/rates declared and/or quoted.
- Close ended mutual funds at NAV's declared by AMFI.
- For other bonds and debentures, values with references to prevailing yields to maturity matching tenures, quoted on sites of credible organisation such as ICRA (Investment Information and Credit Rating Agency).
- Commercial papers and certificate of deposits, being short-term maturity papers, amortised cost is assumed to be the fair value.

iii) Fair value of financial assets and liabilities measured at amortised cost

(₹ In Crore)

Particulars	As at 31 March 2024		As at 31 March 2023	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments				
Bonds and debentures	1,093.85	1,089.23	1,318.83	1,298.57
Certificate of deposits	507.98	507.98	312.23	312.23
Inter corporate deposits	550.00	550.00	-	-
Total financial assets	2,151.83	2,147.21	1,631.06	1,610.80

The carrying amounts of certificate of deposits, trade receivables, trade payables, other financial assets/liabilities and cash and cash equivalents are considered to be the same as their fair values, due to their short-term nature.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

35 Financial risk management

The Company operates, at present, only in India. Whilst risk is inherent in the Company's activities, it is managed through a risk management framework, including ongoing identification, measurement and monitoring subject to risk limits and other controls. The Company's activities expose it to credit risk, liquidity risk and market risk.

This note explains the sources of risk which the Company is exposed to and how the entity manages the risk.

The Board of Directors provide guiding principles for overall risk management, as well as policies covering specific areas, such as, credit risk, liquidity risk, and investment of available funds. The Company's risk management is carried out by its Risk Management Committee as per such policies approved by the Board of Directors. Accordingly, Company's Risk Management Committee identifies, evaluates and manages financial risks.

A. Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations leading to a financial loss to the Company. Credit risk primarily arises from cash equivalents, financial assets measured at amortised cost, financial assets measured at FVTPL and trade receivables.

Credit risk management

In regard to Trade receivables, which are typically unsecured, credit risk is managed through credit approvals, establishing credit limit and continuously monitoring the credit worthiness of customers to whom credit is extended in the normal course of business.

With regards to financial assets represented substantially by investments, the Company has an Investment Policy which allows the Company to invest only with counterparties having a credit rating equal to or above AA+ and P1+. The Company reviews the creditworthiness of these counterparties on an on-going basis. Counter party exposure limits maybe updated as and when required, subject to approval of Board of Directors.

B. Liquidity risk

The Company's principal sources of liquidity are cash and cash equivalents, investments in money market instruments and cash flows that are generated from operations. The Company believes that its working capital is sufficient to meet the financial liabilities within maturity period.

C. Other risk (Market risk)

The Company has deployed its surplus funds in debt and money market instruments (including through funds). The Company is exposed to price risk on such investments, which arises on account of movement in interest rates, liquidity and credit quality of underlying securities.

As an unregistered CIC, the Company must invest at least 90% of its net assets in Group companies, of which at least 60% must be through equity instruments. The Company invests in certificate of deposits and liquid mutual funds to ensure adequate liquidity is available. Temporary market volatility, if any is not considered to have material impact on the carrying value of these instruments.

Nevertheless, the Company has invested its surplus funds primarily in debt instruments of its subsidiary with CRISIL AAA and STABLE A1+ rating and thus the Company does not have significant risk exposure.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

36 Capital management**a) Objectives, policies and processes of capital management**

The Company is cash surplus and has only equity capital. Under Master Direction – Core Investment Companies (Reserve Bank) Directions, 2016, the Company is termed as an unregistered core investment company (CIC) as per Reserve Bank of India guidelines dated 13 August 2020 and is not exposed to any regulatory imposed capital requirements.

The cash surpluses are currently invested in debt and money market instruments (including through mutual funds) depending on economic conditions in line with the CIC guidelines set out by the RBI and Investment Policy set by the Management. Safety of capital is of prime importance to ensure availability of capital for operations. Investment objective is to provide safety and adequate return on the surplus funds. The Company does not have any borrowings.

(₹ In Crore)

Particulars	As at 31 March	
	2024	2023
Equity	6,568.97	5,248.07
Add: Deferred tax liabilities (net)	3.95	4.55
Less: Tangible and other assets	117.50	119.37
Working capital	86.00	54.83
Investments in subsidiaries and joint venture	4,171.55	3,369.09
Investments in debt and similar instruments	2,197.87	1,709.33

No changes in this regard were made in the objectives, policies and processes of capital management during the year.

b) Analytical ratios

The Company is termed as an unregistered core investment company (CIC) as per Reserve Bank of India guidelines dated 13 August 2020 and is not exposed to any regulatory imposed capital requirements. Thus, the following analytical ratios are not applicable to the Company:

1. Capital to risk-weighted assets ratio (CRAR)
2. Tier I CRAR
3. Tier II CRAR
4. Liquidity coverage ratio

c) Dividends distributed and proposed

(₹ In Crore)

Particulars	For the year ended 31 March	
	2024	2023
Dividends recognised in the financial statements		
Final dividend for the year ended 31 March 2023 of ₹ 0.80 (31 March 2022 – ₹ 4)* per equity share.	127.43	63.65
Dividends not recognised at the end of the reporting period		
Directors have recommended the payment of a final dividend of ₹ 1 per equity share for the year ended 31 March 2024 (31 March 2023 – ₹ 0.80). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	159.55	127.43

*Dividend per share for the year ended 31 March 2022 is before sub division (split) and bonus issue

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

37 Maturity analysis of assets and liabilities

(₹ In Crore)

Particulars	As at 31 March 2024			As at 31 March 2023		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	20.97	-	20.97	7.24	-	7.24
Bank balances other than cash and cash equivalents	0.06	0.50	0.56	-	0.47	0.47
Trade receivables	0.79	-	0.79	0.82	-	0.82
Investment in subsidiaries and joint venture	-	4,171.55	4,171.55	-	3,369.09	3,369.09
Other investments	948.89	1,248.98	2,197.87	615.42	1,093.91	1,709.33
Other financial assets	80.47	2.97	83.44	57.24	2.69	59.93
Non-financial assets						
Current tax assets (net)	-	51.72	51.72	-	48.99	48.99
Investment property	-	4.98	4.98	-	5.11	5.11
Property, plant and equipment	-	108.05	108.05	-	110.17	110.17
Capital work-in-progress	-	4.47	4.47	-	4.09	4.09
Other non-financial assets	0.16	5.97	6.13	0.09	2.63	2.72
Total	1,051.34	5,599.19	6,650.53	680.81	4,637.15	5,317.96
Liabilities						
Financial liabilities						
Trade payables	2.78	-	2.78	2.33	-	2.33
Other financial liabilities	47.90	2.14	50.04	38.21	-	38.21
Non-financial liabilities						
Current tax liabilities (net)	-	17.41	17.41	-	17.41	17.41
Deferred tax liabilities (net)	-	3.95	3.95	-	4.55	4.55
Provisions	0.73	5.95	6.68	1.00	3.51	4.51
Other non-financial liabilities	0.70	-	0.70	2.88	-	2.88
Total	52.11	29.45	81.56	44.42	25.47	69.89
Net	999.23	5,569.74	6,568.97	636.39	4,611.68	5,248.07

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

38 Share-based payments (Employee stock option plan)

The Company has established employees stock options plan, 2018 (ESOP Scheme) for its employees pursuant to the special resolution passed by shareholders at the annual general meeting held on 19 July 2018. The employee stock option plan is designed to provide incentives to the employees of the Company and for its subsidiaries to deliver long-term returns and is an equity settled plan. The ESOP Scheme is administered by the Compensation Committee of the Board. Participation in the plan is at the Compensation Committee's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under ESOP scheme would vest in not less than one year and not more than five years from the date of grant of the options. The Compensation Committee of the Company has approved grant with related vesting conditions. Vesting of the options would be subject to continuous employment with the Company and hence the options would vest with passage of time. In addition to this, the Compensation Committee may also specify certain performance parameters subject to which the options would vest. Such options would vest when the performance parameters are met.

Once vested, the options remain exercisable over period of eight years from the date of vesting or such period as may be decided by the Compensation Committee at its sole discretion from time to time. Options granted under the plan are for no consideration and carry no dividend or voting rights. On exercise, each option is convertible into one equity share.

Set out below is a summary of options granted under the plan to employees of the Company and its subsidiaries

Particulars	For the year ended 31 March			
	2024		2023	
	Average exercise price per share option	Number of options	Average exercise price per share option	Number of options
Opening balance	919.46	11,906,351	714.85	10,133,590
Granted during the year	1,334.76	3,896,587	1,484.32	3,167,160
Exercised during the year	674.54	1,789,915	636.51	1,109,129
Forfeited during the year	1,286.94	270,295	1,022.57	285,270
Closing balance	1,061.89	13,742,728	919.46	11,906,351
Weighted average remaining contractual life of options outstanding at end of year (in years)		4.88		5.07
Vested and exercisable		6,169,404		4,472,291

No options expired during the years mentioned in above table

The weighted average share price during the year ended 31 March 2024 was ₹ 1,553.30 (31 March 2023 - ₹ 1,473.29).

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

38 Share-based payments (Employee stock option plan) (Contd.)

Weighted average fair value of options granted

Current year

Grant date	27 April 2023	15 Sept 2023
Vesting period	1 to 4 years	1 to 4 years
Weighted average fair value per option	₹ 401.01 ~ ₹ 619.67 per option	₹ 334.55 ~ ₹ 683.39 per option

Previous year

Grant date	28 April 2022	02 Aug 2022	13 Sept 2022
Weighted average fair value per option	₹ 376.84 ~ ₹ 689.20 per option	₹ 378.37 ~ ₹ 558.14 per option	₹ 501.6 per option

The fair value at grant date is determined using the Black Scholes model which takes into account the exercise price, the term of the option, the share price at grant date and expected volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The model inputs for options granted during the year ended 31 March 2024 and 31 March 2023 included

Grant	Tranche XI	Tranche XII
a) options are granted for no consideration and vesting period is	1 to 4 years	1 to 4 years
b) exercise price	₹ 1,334.70 per option	₹ 1,550.90 per option
c) grant date	27 April 2023	15 September 2023
d) share price at grant date	₹ 1,360.00	₹ 1,538.10
e) expected price volatility of the Company's shares	32.12%~34.10%	29.64%~37.94%
f) expected dividend yield	0.03%	0.03%
g) risk-free interest rate	6.78%~6.93%	6.99%~7.06%

Grant	Tranche VIII	Tranche IX	Tranche X
a) options are granted for no consideration and vesting period is	1 to 5 years	1 to 4 years	2 years
b) exercise price	₹ 1,482.64 per option	₹ 1,507.31 per option	₹ 1,713.81 per option
c) grant date	28 April 2022	02 August 2022	13 September 2022
d) share price at grant date	₹ 1,501.19	₹ 1,522.42	₹ 1,784.75
e) expected price volatility of the Company's shares	34.19%~37.99%	35.30%~43.40%	35.70%~43.28%
f) expected dividend yield	0.02%	0.03%	0.02%
g) risk-free interest rate	5.35%~6.75%	6.42%~7.00%	6.60%~6.80%

The expected price volatility is based on the historic volatility (based on the remaining life of the options), adjusted for any expected changes to future volatility due to publicly available information.

Notes to standalone financial statements for the year ended 31 March 2024 (Contd.)

39 Other notes

- a. The Company has performed an assessment to identify transactions with struck off companies as at 31 March 2024 and no such company was identified.
- b. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. No funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- d. The Company has not traded or invested in crypto currency or virtual currency during the financial year.
- e. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- f. Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

40 Events after reporting date

There have been no events after the reporting date that require disclosure in these financial statements.

41 Miscellaneous

Amounts less than ₹ 50,000 have been shown at actual against respective line items statutorily required to be disclosed.

The accompanying notes are an integral part of the standalone financial statements

As per our report of even date

On behalf of the Board of Directors

For KKC & Associates LLP
Chartered Accountants
(formerly Khimji Kunverji & Co LLP)
ICAI Firm Registration Number: 105146W/W100621

S Sreenivasan
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

Pune: 26 April 2024



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