

17th
**ANNUAL
REPORT**
2024-2025



FINSERV



Bajaj Housing Finance Office,
Cerebrum IT Park, Kalyani Nagar,
Pune

Jamnalal Bajaj in Dhulia jail,
alongside Pyarelal Nair (Gandhiji's secretary) in 1932

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Corporate Information

Board of Directors

Chairman

Sanjiv Bajaj

Vice Chairman

Rajeev Jain

Independent Directors

Anami N Roy

Dr. Arindam Bhattacharya

Jasmine Chaney

S M N Swamy (w.e.f. 1 August 2024)

Managing Director

Atul Jain

Audit Committee

Anami N Roy **(Chairman)**

Dr. Arindam Bhattacharya

Jasmine Chaney

S M N Swamy

Rajeev Jain

Risk Management Committee

Dr. Arindam Bhattacharya **(Chairman)**

Sanjiv Bajaj

Anami N Roy

Jasmine Chaney

Rajeev Jain

Atul Jain

IT Strategy Committee

Dr. Arindam Bhattacharya **(Chairman)**

Sanjiv Bajaj

Jasmine Chaney

Rajeev Jain

Atul Jain

Nomination and Remuneration Committee

Dr. Arindam Bhattacharya **(Chairman)**

Anami N Roy

Rajeev Jain

Corporate Social Responsibility Committee

Anami N Roy **(Chairman)**

Sanjiv Bajaj

Rajeev Jain

Stakeholders Relationship Committee

Anami N Roy **(Chairman)**

Sanjiv Bajaj

S M N Swamy

Rajeev Jain

Customer Service Committee

Jasmine Chaney **(Chairperson)**

S M N Swamy

Rajeev Jain

Atul Jain

Board sub-committee – (Credit cases approval)

Rajeev Jain **(Chairman)**

Anami N Roy

Jasmine Chaney

Review Committee for Wilful Defaulter

Atul Jain **(Chairman)**

Anami N Roy

Dr. Arindam Bhattacharya

Special Committee for Monitoring and Follow-up Cases of Frauds

Jasmine Chaney **(Chairperson)**

S M N Swamy

Rajeev Jain

Atul Jain

Chief Financial Officer

Gaurav Kalani

Company Secretary

Atul Patni

Joint Statutory Auditors

Mukund M. Chitale & Co.
Singhi & Co.

Secretarial Auditor

Shyamprasad D Limaye

Bankers

State Bank of India
Bank of Baroda
HDFC Bank
Canara Bank
Punjab National Bank
Union Bank of India
Bank of India
Axis Bank

Debenture Trustee**Catalyst Trusteeship Ltd.**

GDA House, Plot No. 85,
Bhusari Colony (Right),
Paud Road, Pune-411 038
Maharashtra
Tel No.: (020) 66807200
Email ID: ComplianceCTL-Mumbai@ctltrustee.com
Website: <https://catalysttrustee.com/>

Registrar and Share Transfer Agent**KFin Technologies Ltd.**

Selenium Building, Tower-B, Plot No 31 and 32,
Financial District, Nanakramguda, Serilingampally,
Hyderabad, Rangareddi, Telangana – 500 032
Tel. No. 1800 309 4001
Email ID: einward.ris@kfintech.com
KFin Website: <https://www.kfintech.com/>
<https://ris.kfintech.com>

Registered Office

Bajaj Auto Limited Complex,
Mumbai- Pune Road, Akurdi,
Pune – 411 035,
Maharashtra.

Corporate Office

5th Floor, B2 Cerebrum IT Park,
Kumar City, Kalyani Nagar,
Pune – 411 014, Maharashtra.

Website: <https://www.bajajhousingfinance.in/>

**Corporate Identity Number
L65910PN2008PLC132228**

Leading the way

Sayantani Dutta

Chief - Human Resources
& Administration

Gagandeep Malhotra

Executive Vice President
Credit & Operations

Gaurav Kalani

Chief Financial
Officer

Niraj Adiani

Executive Vice
President, Risk

Dushyant Poddar

Executive Vice President
Developer Finance

Vijay Solanki

Treasurer

Pawan Bhansali

Senior Executive Vice President
Near Prime and Affordable

Amit Sinha

Executive Vice President
Home Loans

Gaurav Pruthi

Executive Vice President
Debt Management Services

Anurag Jain

Executive Vice President
Information Technology



Vipin Arora

Senior Executive Vice President
CRE

Atul Jain

Managing Director

Sanjiv Bajaj

Chairman

Rajeev Jain

Vice Chairman

Jasminder Chahal

President
Home Loans

Chairman's Letter



Sanjiv Bajaj
Chairman

“

Presently at less than 2.5% market share, your Company aims to achieve a 5% share in home loan acquisition over the medium term. I believe it will get there sooner than we think. Real estate remains a focus area for the government. The housing finance sector has also witnessed good traction with overall outstanding home loan portfolio at ₹33.34 lakh crore as of 31 March 2024, a growth of 16.4%.”

Dear Shareholder,

I am delighted to share two pieces of great news regarding your Company.

The first: In its eight year of operations, Bajaj Housing Finance Limited's (BHFL) assets under management (AUM) crossed ₹1 lakh crore. Indeed, it ended FY2025 with an AUM of ₹ 114,684 crore.

And the second: Your Company got its equity listed on the National Stock Exchange (NSE) and the BSE Ltd. through a successful Initial Public Offering (IPO) in September 2024. After more than three decades, a Bajaj Group company came to the equity markets for listing. The IPO got a huge response from investors and became one of the most successful ones in recent times.

Your Company is the largest Non-Deposit taking Housing Finance Company in terms of AUM and second largest HFC in India.

Through its varied product suite, BHFL addresses the diverse mortgage needs of all retail customer segments, which include salaried individuals, self-employed and professionals. It serves all sub-segments, including prime, near-prime, and

affordable customers; and offers various transaction types such as purchase, resale, self-construction, and balance transfer.

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

As in earlier years, thanks to its commitment to meticulous underwriting, focusing on the right segments of the housing mortgage market, superb customer interface and excellent execution, your Company has posted excellent operational and financial results. Let me share some of these.

- AUM increased by 26% to ₹ 1,14,684 crore
- Net interest income grew by 20% to ₹ 3,007 crore
- Net total income (NTI) rose by 23% to ₹ 3,597 crore
- Operating expenses to NTI improved to 20.8% in FY2025 from 24.0% in FY2024
- Pre-impairment operating profit grew by 28% to ₹ 2,850 crore
- Profit before tax (PBT) increased by 28% to ₹ 2,770 crore
- Profit after tax (PAT) rose by 25% to ₹ 2,163 crore
- Capital adequacy ratio stood at 28.24% as of 31 March 2025. The Tier-1 ratio was 27.72%; both are well above regulatory norms.

In FY2025, your Company set up an Affordable and Near Prime Strategic Business Unit (SBU) to address the mortgage needs of the 'Near Prime and Affordable' customers. With this, BHFL is now the most diversified and full mortgage product suite Company in the country serving the entire spectrum of customer sub-segments, including prime and non-prime (i.e. near prime and affordable).

To deliver seamless experience, BHFL launched a customer onboarding platform where a customer, the Company's salesforce and channel partners can login the loan application digitally and parallelly work on the fulfilment of the application from anywhere – all of which directly flows to the centralised underwriting team.

BHFL's compliance philosophy revolves around the following principles

- Regulatory compliance with all applicable laws, regulations, and guidelines,
- Customer protection where the Company prioritizes the protection of its customers' interests and data,
- Ethical conduct in its dealings with customers, partners, and colleagues,
- Robust risk management frameworks and processes to identify, assess, and mitigate risks associated with its operations and
- Comprehensive employee training and awareness to enhance the compliance knowledge and awareness of its employees.

Presently at less than 2.5%, your Company aims to achieve a 5% market share in home loan acquisition over the medium term. I believe it will get there sooner than we think. Real estate remains a focus area for both the central and state governments and is evident through its various initiatives such as the Real Estate Regulatory Authority (RERA), the Pradhan Mantri Awas Yojana for interest subsidies, infrastructure development allocations and increasingly rapid digitisation of land records. The housing finance sector has also witnessed good traction with overall outstanding home loan portfolio at ₹33.34 lakh crore as of 31 March 2024, representing a 16.4% growth against 31 March 2023.

Given the quality and commitment of the team, I see BHFL growing in the foreseeable future – offering more home loans to a greater number of people, financing even more commercial real estate, generating superior operational and financial returns and delivering long-term value to the shareholders.

May it continue to prosper.

Thank you for your support. And my special thanks to each employee in BHFL who have made such results happen.

Yours sincerely,

Sanjiv Bajaj
Chairman



BHFL IPO listed at a premium of
114% above its issue price of
₹ 70, opening at ₹ 150

Oversubscribed ~68 times,
reflecting strong
market confidence

Attracted over
8.9 million applications
– one of the highest for
an IPO in 2024

One of the most
successful IPOs, reinforcing
leadership in India's housing
finance sector

As of 16 September, 2024

Achieved a market
cap of over ₹ 1.37 Lakh Crore
on listing day



Our Strategic Pillars

Growth Anchored in Strength

Built on a foundation of prudently managed treasury and a balanced portfolio, our growth remains steady and sustainable. We continue to maintain a diversified borrowing mix across funding sources, supported by the highest possible domestic credit ratings. A focus on longer tenure borrowing, strong capital adequacy, and conservative leverage underpins our financial strength.

Low Risk, Steady Returns

We continue to prioritise low-risk growth through strong underwriting and risk management. A balanced mix across businesses and sub-segments enables consistent medium returns. Over the years, our cautious risk approach has helped build a scalable balance sheet, with a focus on Prime Housing and Lease Rental Discounting.

Diversified Offerings

From Home Loans and Loans Against Property to Developer Finance and Lease Rental Discounting, our offerings cater to every customer's mortgage needs. We strive to offer tailored Home Loans across all customer segments.



The Year Gone By

• **₹ 1,14,684 Cr**
Assets Under Management

• **₹ 50,843 Cr**
Disbursement

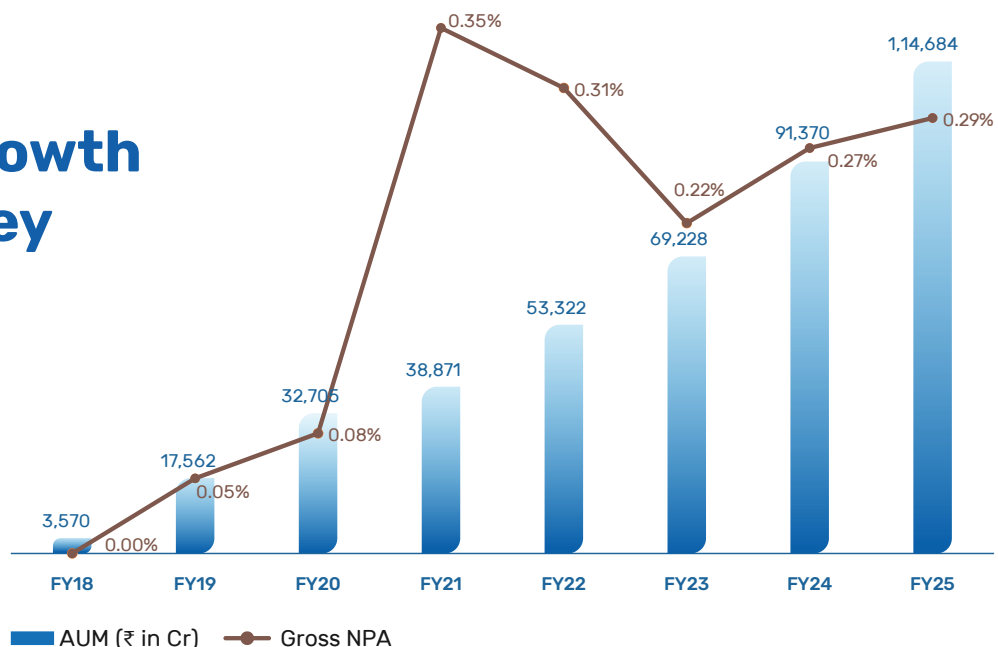
• **₹ 2,770 Cr**
Profit Before Tax

• **28.24%**
Capital Adequacy Ratio

• **0.29%**
Gross Non-Performing Assets

• **174**
Number of Locations Served

Our Growth Journey



ASSETS UNDER MANAGEMENT
8-YEAR CAGR

64%

Our Journey ►

FY18

PAT
₹ 10 Cr

NET WORTH
₹ 1,550 Cr

Raised capital
₹ 1,200 Cr

Commenced lending
operations with a
focus on Salaried
Home Loans

FY19

PAT
₹ 110 Cr

NET WORTH
₹ 3,658 Cr

Crossed
₹ 15,000 Cr
AUM milestone

Raised capital
₹ 2,000 Cr

Transitioned to a
centralised salaried
underwriting model

FY21

PAT
₹ 453 Cr

NET WORTH
₹ 6,032 Cr

Launched offering
'Repo Rate Linked
Home Loans'

Launched Mobility
app for field teams
for digital sourcing

Started intermediary
sourcing for retail
products

FY20

PAT
₹ 421 Cr

NET WORTH
₹ 5,585 Cr

Crossed
₹ 30,000 Cr
AUM milestone

Raised capital
₹ 1,500 Cr

Disbursement
milestone
₹ 20,000 Cr

FY22

PAT
₹ 710 Cr

NET WORTH
₹ 6,741 Cr

Crossed
₹ 50,000 Cr
AUM milestone

Launched
e-Home Loan
sanction
functionality

FY23

PAT
₹ 1,258 Cr

NET WORTH
₹ 10,503 Cr

Raised capital
₹ 2,500 Cr

Classified as an
'Upper layer
NBFC' by the RBI

Launched
e-Agreement
functionality

FY25

PAT
₹ 2,163 Cr

NET WORTH
₹ 19,947 Cr

Crossed
₹ 100,000 Cr
AUM milestone

Raised capital
₹ 5,560 Cr

Disbursement
milestone
₹ 50,000 Cr

Launched SBU for
Home Loans offer-
ing to near-prime
and affordable
segments

FY24

PAT
₹ 1,731 Cr

NET WORTH
₹ 12,234 Cr

Launched the Online
Customer Onboarding
journey (DIY Home Loans
with online application to
approval)

Expanded operations
to focus on
Self-Employed
Home Loans

Management Discussion and Analysis

Bajaj Housing Finance Limited ('BHFL' or 'the Company') is registered with National Housing Bank (NHB) as a non-deposit taking Housing Finance Company and has been engaged in the business of mortgage lending since FY2018. It is subsidiary of Bajaj Finance Limited ('BFL') and part of Bajaj group. Under the scale-based regulations of the Reserve Bank of India (RBI), BHFL is classified as an Upper Layer NBFCs (NBFC-UL). Pursuant to these regulations, it got listed on the National Stock Exchange of India Ltd. (NSE) and the BSE Ltd. in September 2024 through an Initial Public Offering (IPO). The Company is regulated by the RBI, the Securities and Exchange Board of India (SEBI) and the Insurance Regulatory and Development Authority of India (IRDAI) and supervised by the NHB.

₹6,560 crore

Initial Public Offering (IPO)

Macroeconomic Overview

According to the IMF's World Economic Outlook (April 2025), global growth has been projected at 2.8% in CY2025 and 3.0% in CY2026, which is below the historical average of 3.7% for the period 2000-2019. It is worth noting that at 6.5% for FY2025 and FY2026, the IMF pegs India's real GDP growth as the highest among all major nations - including that of China. IMF also forecasts global headline inflation to decline to 4.3% in CY2025 and further to 3.6% in CY2026.

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

Real GDP growth experienced a significant downward trend after Q3 FY2024. However, according to the second estimates for Q3 FY2025, it appears to be gaining momentum and is projected to reach 6.5% for FY2025. Quarterly GDP growth for Q1 FY2025 was 6.5%, followed by 5.6% in Q2 and 6.2% in Q3. As before, private final consumption expenditure (PFCE) has been the major contributor to GDP, with an estimated share of 56.7% in FY2025. The quarterly GVA growth rates were quite similar: 6.5% in Q1, followed by 5.8% in Q2 and then 6.2% in Q3.

In terms of real GVA across the three broad sectors:

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

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

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

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

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

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

Therefore, as it stands, the Indian economy seems to be in a good place. At 6.5%, it continues to clock the highest real GDP growth rate among all major countries in the world, including China. Both wholesale and consumer price inflation are under control. The CAD is reasonable given the size and growth of the economy. And the central bank has been confident enough to reduce the repo rate and inject further liquidity into the system. The only fly in the ointment is President Donald Trump and his arbitrary raising of US tariffs. How these will affect India is anyone's guess, and policy-makers will have to watch this very carefully in the coming months. Even so, it is probably fair to say that India can expect another excellent year of growth and income generation.

Industry Overview

The Real Estate Sector and Housing Finance Companies

India's housing sector remains robust, driven by favourable demographics, lower mortgage-to-GDP ratios compared to developed nations, rising per capita income, urbanisation, demand for larger homes, a large increase in the number of nuclear families and increased affordability.

As a crucial part of the economy, the housing sector significantly impacts both employment and growth. Given the forward and backward linkages of real estate with its ancillary industries, it remains a focus area for both the central and state governments. The central government's emphasis on this sector is evident through its various initiatives such as the Real Estate Regulatory Authority (RERA), the Pradhan Mantri Awas Yojana for interest subsidies, infrastructure development allocations and increasingly rapid digitisation of land records.

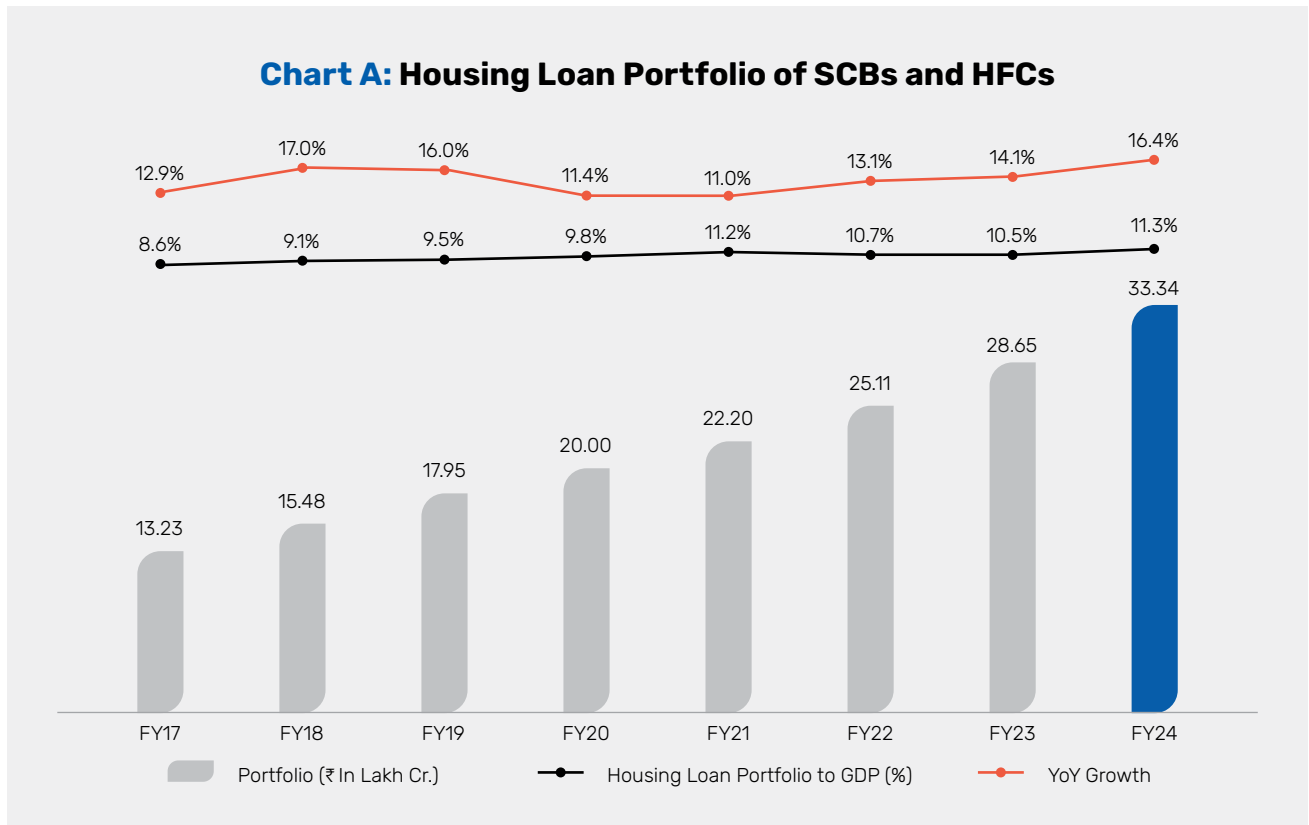
The real estate sector experienced notable growth in FY2023 and FY2024, with increased launches and absorption in residential real estate thanks to the government's measures for 'Housing for All', growing affordability and higher demand for larger homes – which resulted in reduced inventory overhang. However, FY2025 saw a slight decline in both launches and absorption, though unsold inventory continued to decrease due to higher absorption than launches.

The commercial real estate sector maintained strong momentum post-pandemic, with FY2025 growth supported by corporate demand and increased penetration of Global Capability Centers (GCCs) in India. Launches and leasing trends were healthy, resulting in lower vacancy levels. Commercial real estate is expected to continue to do well in short to medium term.

As far as the housing finance sector is concerned, the outstanding housing loans portfolio of Scheduled Commercial Banks (SCBs) and Housing Finance Companies (HFCs) witnessed good traction. Here are some data:

- The overall outstanding home loan portfolio stood at ₹33.34 lakh crore as of 31 March 2024, which represented a 16.4% growth against 31 March 2023.
- The ratio of housing loan to nominal GDP penetration also increased by 80 bps from 10.5% in FY2023 to 11.3% in FY2024 (Source: NHB Annual Report 2023-24).
- The ratio of outstanding housing loans to total loans from the Scheduled Commercial Banks (SCBs) has also steadily increased from 9.4% in March 2010 to 16.6% in March 2024 (Source: NHB Report on Trends and Progress of Housing in India, 2024).
- The SCBs account for a major share of total housing loan portfolio – 82% share, with housing finance companies accounting for 18% market share as of 31 March 2024 (Source: NHB Annual Report 2023-24).
- As per the RBI's Report on Trends and Progress of Banking 2023-24 (26 December 2024), as of March 2024, the gross NPA ratio of the housing finance sector stood at 2.3% and the net NPA of 1.2%. These have remained broadly stable. Additionally, the cost-to-income ratio of housing finance companies inched up in FY2024 owing to marginal increase in expenditure. However, the return on assets (ROA) for FY2024 remained in line with that of FY2023 at 1.7%.

Chart A plots the trend in India's housing loan portfolio from FY2017 to FY2024.



Source: NHB Annual Report

Regulatory Change

To protect consumer interests, the RBI continues to implement various measures to enhance transparency and strengthen stakeholders in the sector. It focuses on harmonising regulations across lending entities to ensure financial stability, improved oversight and a seamless customer experience. For the NBFC/HFC sector, the RBI has issued Scale Based Regulations (SBR), categorising NBFCs into four tiers with additional regulatory provisions for each. According to the latest RBI notification dated 16 January 2025, BHFL remained part of the Upper Layer NBFCs for FY2025.

The RBI issued several regulations and guidelines throughout the year. The key regulations include:

- **Key Fact Statement (KFS):** To foster greater transparency and disclosure in loan pricing and charges, NBFCs/HFCs are required to provide a KFS containing key loan agreement information, including the all-in-cost of the loan, for all retail and MSME loans.
- **Credit Information Reporting:** To provide a more up to date picture of a borrower's indebtedness, the RBI has increased the frequency of credit information reporting to Credit Information Companies (CIC) from monthly to fortnightly.
- **Operational Risk Management:** To promote resilience within the financial sector, the RBI released a guidance note on Operational Risk Management and Operational Resilience.
- **Fraud Risk Management:** The RBI revised its Master Directions on Fraud Risk Management, including a framework on Early Warning Signals, Red Flagging of Accounts, and principles of natural justice.
- **Interest Charging Practices:** To address varied practices in interest charging that may not align with fairness and transparency, the RBI released a circular in April 2024 directing all lenders to review their interest charging practices.

Additionally, the National Housing Bank (NHB) issued circulars/advisories to HFCs on monthly reporting of delinquent loan accounts, separation of roles of Chief Compliance Officer and Company Secretary, mis-selling of insurance, and monitoring and reporting of Principal Business Criteria on a monthly basis.

The Company

Bajaj Housing Finance Limited. (BHFL), a subsidiary of Bajaj Finance Limited (BFL), is registered as a non-deposit taking HFC with the National Housing Bank (NHB) since September 2015 to carry the business of housing finance. It is categorised as an Upper Layer NBFC (NBFC-UL) under Scale Based Regulations (SBR) issued by the RBI.

BHFL started its lending operations from July 2017 and crossed two significant milestones during FY2025:

- i. In its eight year of operations, the Company surpassed the AUM milestone of ₹1,00,000 crore;
- ii. It got listed on the equity segment of the National Stock Exchange of India Limited and the BSE Limited with its IPO in September 2024.

₹1 lakh crore AUM milestone in its 8th year of operations

The Company offers full mortgage product suite spanning: (i) Home Loans; (ii) Loans Against Property; (iii) Lease Rental Discounting; (iv) Developer Financing; and (v) Others, covering non-collateralised loans. Through this varied product suite, BHFL addresses the diverse mortgage needs of all retail customer segments, which include salaried individuals, self-employed and professionals. It serves all sub-segments, including prime, near-prime, and affordable customers; and offers various transaction types such as purchase, resale, self-construction, and balance transfer.

Through its commercial product suite, which includes Construction Finance and Lease Rental Discounting, BHFL caters to a wide range of marquee clients, including real estate developers, high net worth individuals (HNIs), real estate investment trusts (REITs), sovereign wealth funds and corporations.

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

The Company is the largest non-deposit taking HFC in terms of AUM and second largest HFC in India with an AUM of ₹1,14,684 crore as of 31 March 2025.

It remains resolutely focused on building a low-risk medium-return portfolio through five key strategies viz.:

- i. Build a scalable balance sheet with focus on prime housing and lease rental discounting.
- ii. Maintain a low risk portfolio through a strong and consistent risk management framework.
- iii. Deliver medium returns through a balanced and optimised product mix.
- iv. Offer the entire suite of mortgage products.
- v. Maintain a diversified borrowing mix.

BHFL's balanced product mix – consisting of 56% home loans and 19% lease rental discounting – ensures lower risk to the balance sheet while allowing it to scale rapidly. Around 89% of home loans are given to lower-risk salaried and professional segment customers.

The Company employs an omnichannel sourcing strategy for both retail and commercial products, utilising direct and indirect channels. For retail products, BHFL sources loans from the developer ecosystem, self-sourcing, and various digital assets under the direct model. The indirect model includes partnerships with channel partners, aggregators, direct selling agents and connectors. Commercial products, primarily sourced through relationship-based direct channels, also utilise indirect channels via international property consultants, wealth management companies, aggregators, and direct selling agents. This approach enhances BHFL's sourcing funnel.

For retail products, BHFL follows a micro-market approach for home loan origination and aims to increase market share by:

- Expanding the distribution network across intermediaries by deepening relationships with existing partners and activating new ones.
- Enhancing home loan penetration in developer financing projects.
- Scaling up near-prime and affordable housing through a newly launched strategic business unit (SBU).
- Expanding its geographic footprint.

For commercial products, the Company focuses on building a granular portfolio while maintaining a strong risk management framework, reflected in its healthy asset quality. The commercial businesses are involved in deepening relationships with existing customers and expanding the origination funnel by onboarding new-to-Bajaj (NTB) customers.

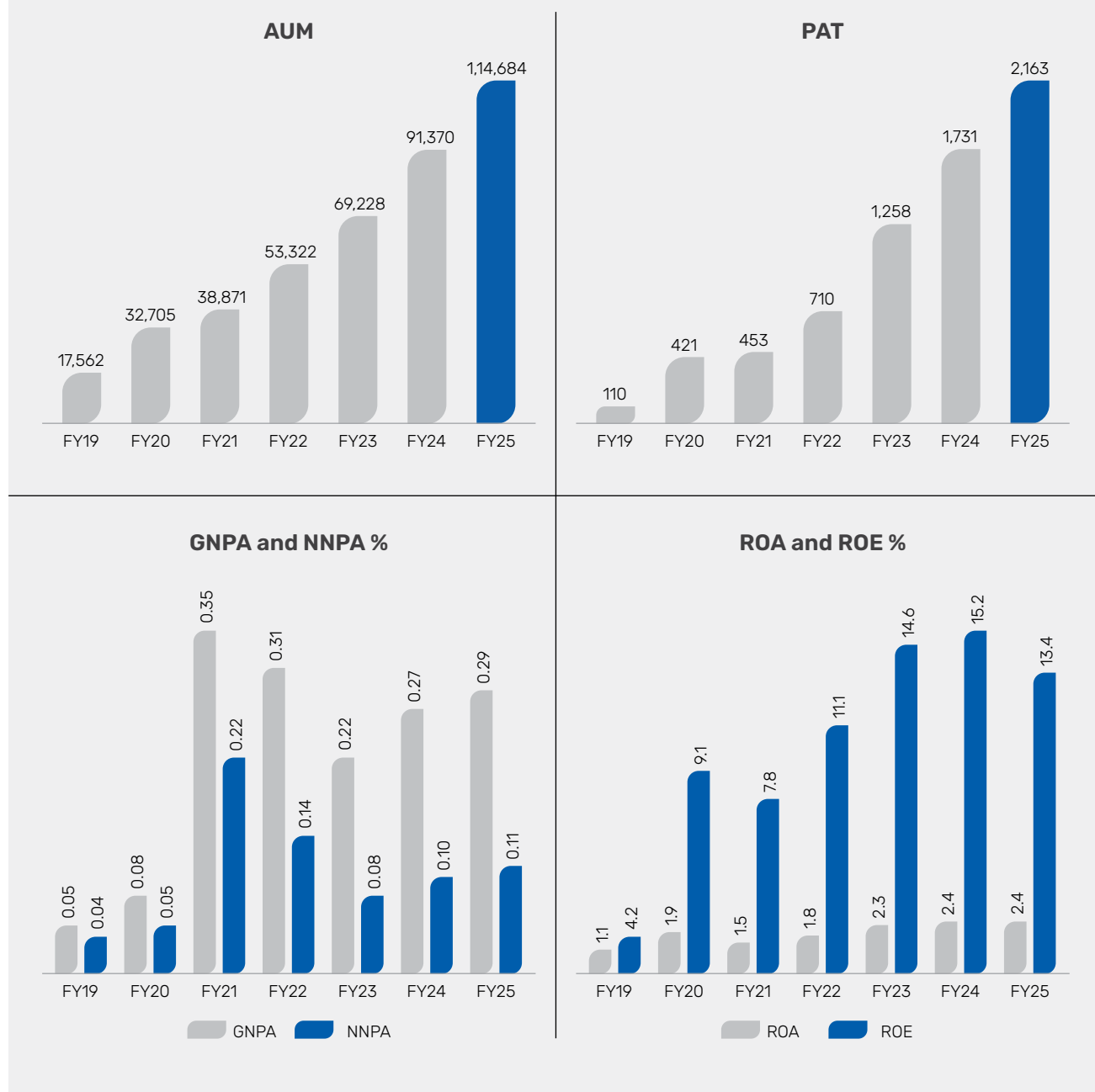
The lease rental discounting portfolio has maintained excellent performance with nil GNPA since inception while sustaining growth momentum. This business covers the entire commercial real estate product lifecycle, from greenfield to stabilised assets, and offers lease rental discounting and construction financing to developers and HNIs. It is also expanding in emerging markets to leverage the growing formalisation of the commercial real estate sector.

The developer financing portfolio maintains quality growth within acceptable portfolio health parameters, thanks to an experienced business team and strong risk management standards. The business is deepening its presence in existing markets and expanding into emerging ones, with the NCR and northern India locations getting operational during the year.

The performance highlights for FY2025 are given below:

BHFL's Performance Highlights, FY2025

- Assets under management (AUM) increased by 26% to ₹ 1,14,684 crore.
- Net interest income grew by 20% to ₹ 3,007 crore.
- Net total income (NTI) rose by 23% to ₹ 3,597 crore.
- Operating expenses (Opex) increased by 6% to ₹ 747 crore.
- Opex to NTI improved to 20.8% in FY2025 from 24.0% in FY2024.
- Pre-impairment operating profit grew by 28% to ₹ 2,850 crore.
- Impairment on financial instruments were ₹ 80 crore as against ₹ 61 crore in FY2024.
- Profit before tax (PBT) increased by 28% to ₹ 2,770 crore.
- Profit after tax (PAT) rose by 25% to ₹ 2,163 crore.
- Capital adequacy ratio stood at 28.24% as of 31 March 2025. The Tier-1 ratio was 27.72%; both well above regulatory norms.

Chart B: Key Metrics Over the Last Seven Years (₹ in crore)

The Company had two rounds of capital raise during the FY2025. The first was a rights issue of ₹ 2,000 crore in April 2024. The second was its IPO of ₹6,560 crore, of which the primary issue was ₹3,560 crore. While the ROA remains steady for FY25, ROE for the year due to capital infusions is diluted.

Business Update

Throughout the year, the RBI kept policy rates unchanged before reducing them by 25 basis points in its February 2025 Monetary Policy Committee (MPC) meeting.

The real estate market experienced a slight slowdown in residential real estate during the first half of FY2025, while demand in commercial real estate remained strong. In the residential market, both absorption and launches were lower than the previous year. However, absorption outpaced launches, leading to a further reduction in unsold inventory. The commercial real estate market remained resilient, with healthy supply and leasing trends reducing vacancy levels. Both unsold inventory in the retail sector and vacancy levels in the commercial sector are at comfortable levels.

FY2025 saw intense competition in the housing finance market, particularly from public sector banks. Amidst this competition, BHFL managed to sustain growth and increase its market share.

₹1,14,684 crore

India's 2nd largest HFC and the largest non-deposit taking HFC by AUM

BHFL continued to grow both its retail and commercial portfolios, with AUM reaching ₹1,14,684 crore as of 31 March 2025, a 26% year-on-year increase.

To address the mortgage needs of 'Near Prime and Affordable' customers, expand its customer segments and deepen presence in home loans as well as loans against property products, a Strategic Business Unit (SBU) was established in June 2024. This SBU has dedicated sales, underwriting, and operations teams to handle the unique needs of this customer segment. With the launch of the SBU, the Company now serves the entire spectrum of customer sub-segments, including prime and non-prime (i.e. near prime and affordable).

To diversify its borrowing strategy, BHFL issued floating rate linked NCDs for the first time during the year, aligning with the floating nature of its assets.

The overall borrowing mix remained diversified. As on 31 March 2025, bank loans accounted for 41% of BHFL's total borrowings; the money market constituted another 49%; and NHB refinance comprised 10%.

Following equity raises through a rights issue in April 2024 and the IPO in September 2024, BHFL's capital position has remained strong, with a capital adequacy ratio of 28.24% as of 31 March 2025, versus the regulatory requirement of 15%.

Asset quality remained robust across portfolios, with an overall gross NPA of 0.29% as of 31 March 2025 (versus 0.27% as of 31 March 2024). This was due to the Company's stringent underwriting practices, continuous portfolio monitoring for retail and commercial products, plus an early warning signal framework to identify potential threats.

Home Loans

The Company addresses the home loan needs of all customer segments, including salaried individuals, self-employed professionals and others, covering various transactions such as new purchase, resale, balance transfer and self-construction. BHFL utilises both direct-to-customer and intermediary channels for sourcing home loans. It offers home loans at 174 locations nationwide, with an average loan value of ₹ 4.6 million.

Within the home loan segment, salaried and professional customers constitute approximately 89% of the mix. BHFL also leverages a large approved project finance (APF) base of over 7,300 projects for home loan sourcing, which reduces processing time for new purchase transactions from such projects. Additionally, it utilises developer financing relationships to source home loans from residential properties under construction by these developers.

During the year, the Company launched non-prime (near prime and affordable) segment loans, further expanding its customer base.

As of 31 March 2025, the home loans AUM grew by 22%, reaching ₹ 64,447 crore.

Loan Against Property

The Company provides cash flow-backed lending for Loans Against Property (LAP) to SMEs, MSMEs, professionals and salaried customers against their commercial or residential properties using both intermediaries and direct-to-customer sourcing channels. Operating across 74 locations, the business primarily deals with self-occupied residential properties, with an average loan value of ₹6.8 million.

BHFL caters to a diverse customer base, with a significant portion coming from the self-employed segment. It also leverages developer financing relationships to offer purchase financing to commercial properties under construction by these developers.

As of 31 March 2025, loans against property AUM grew by 28%, reaching ₹12,262 crore.

Lease Rental Discounting

BHFL provides Lease Rental Discounting (LRD) to large corporates, HNIs, real estate developers, REITs, private equity players, and sovereign wealth funds. This is done through a relationship-based model against stabilised commercial assets, primarily Grade-A office spaces, warehousing, and industrial properties with a diverse lessee base. The business operates from 17 locations, with an average loan value of ₹986 million.

These loans are secured by an escrow mechanism for rental cashflows received from lessees, and a dedicated portfolio monitoring team tracks these rentals periodically. BHFL supports the entire commercial real estate lifecycle of its customers, from funding greenfield assets through commercial construction finance to stabilised assets via lease rental discounting.

As of 31 March 2025, lease rental discounting AUM was ₹21,913 crore, a year-on-year growth of 24%.

Developer Financing

The Company offers construction financing for residential real estate projects to developers with a proven track record of timely construction, sales, and repayment capabilities. Disbursements are made in tranches based on multiple milestones relating to construction stages, sales and collections – which help to minimise execution risk. Operating from 16 locations, the business has an average loan value of ₹481 million and uses a relationship-led sourcing model.

As with loan rental discounting, these loans are secured by an escrow mechanism, where project cash flows are received into separate accounts and monitored by a dedicated portfolio team. The business focuses on building a granular portfolio, spanning 798 projects and 519 active developers. BHFL also provides inventory financing for unsold inventory of these customers. Developer financing serves as an additional sourcing funnel for retail teams, which further leverage these projects to source home loans and loans against property.

As of 31 March 2025, developer financing AUM grew by 49%, reaching ₹14,346 crore.

Partnerships and Services


The Company is registered as a corporate agent with the IRDAI for distribution of life and health insurance products. BHFL offers life insurance, general insurance, health insurance and other financial services products to its customers in partnership with various financial service providers. It currently has partnership with seven insurance companies to enhance insurance penetration and fee income for the Company.

OUR PRODUCTS


HOME LOAN

 Operational in

174 Locations

 **Avg. Loan Size**
(at origination)

₹ 46 Lakh

 85% Salaried,
11% Self-employed,
4% Professional

End-Use

Finance for new home purchase, resale, balance transfer & self-construction.

'Dual Interest' feature to offer borrowers a unique proposition with predictability in repayment.

Customers

Serving all customer segments: Prime, Near Prime & Affordable.

Sourcing Strategy


Micro market strategy to segregate locations into dedicated operational areas, with a focus on both direct and indirect sourcing channels for acquisition.

Customer with CIBIL >750 (at origination): 76.7%


LOAN AGAINST PROPERTY

 Operational in

74 Locations

 **Avg. Loan Size**
(at origination)

₹ 68 Lakh

 76% Self-employed,
17% Salaried,
7% Professional

End-Use

Finance against residential or commercial property for business expansion, home renovation & debt consolidation.

'Flexi' proposition to cater customer needs.

Customers

Serving all customer segments: Prime, Near Prime & Affordable.

Sourcing Strategy

Focus on both direct and indirect sourcing channels for acquisition.


72% of portfolio: Self-Occupied Residential Property

Cash flow backed lending at competitive pricing.


LEASE RENTAL DISCOUNTING

 Operational in

17 Locations

 **Avg. Loan Size**
(at origination)

₹ 99 Crore

 292 Active Customers

End-Use

Finance for business expansion & general corporate purposes against the borrower's rental income.

Offering for stabilised commercial assets, including office space, warehousing & industrial properties.

Customers

Commercial real estate developers, HNIs, listed REITs, Private Equity & Sovereign funds.


Sourcing Strategy

Relationship led model for sourcing with focus on Grade-A properties.


DEVELOPER FINANCE

 Operational in

16 Locations

 **Avg. Loan Size**
(at origination)

₹ 48 Crore

 798 Active Projects

End-Use

Construction finance for residential as well as commercial real estate.

Milestone linked tranche disbursement based on stage of construction, sales & collection.

Customers

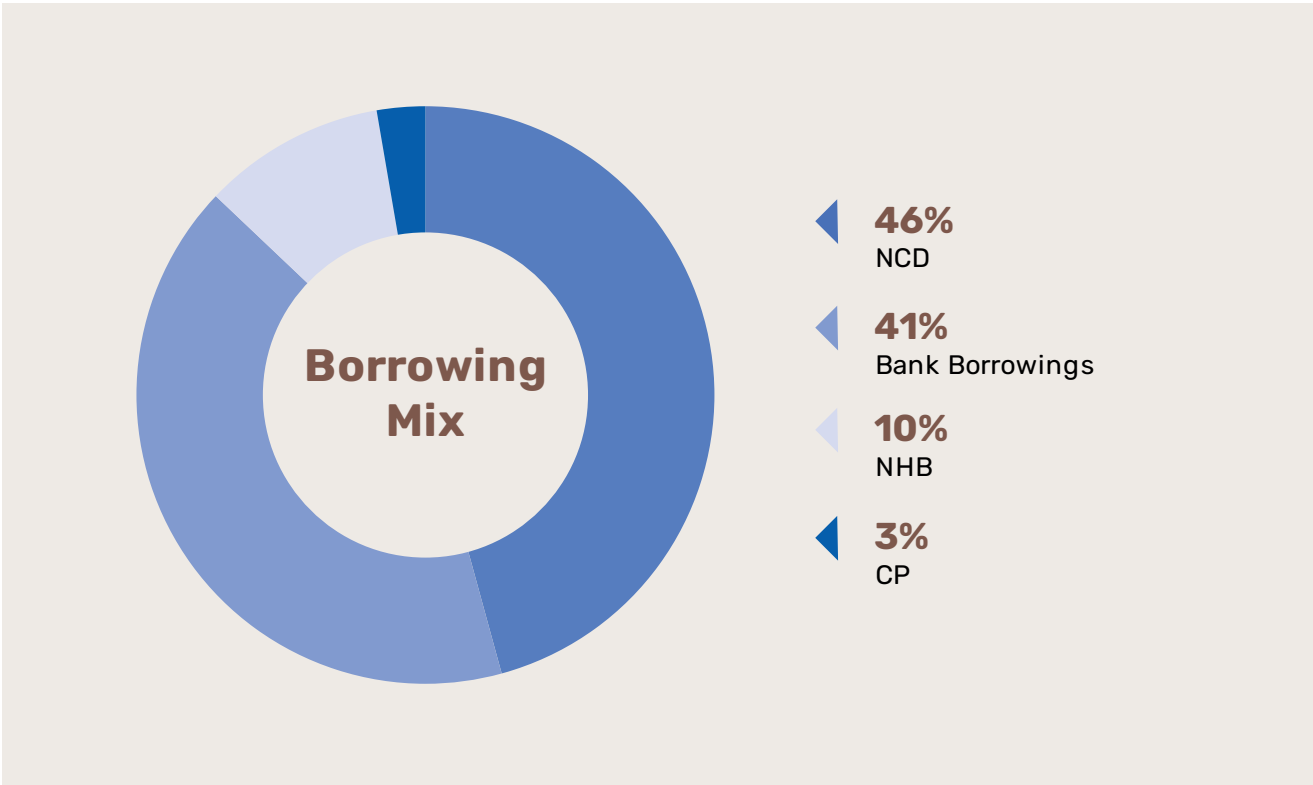
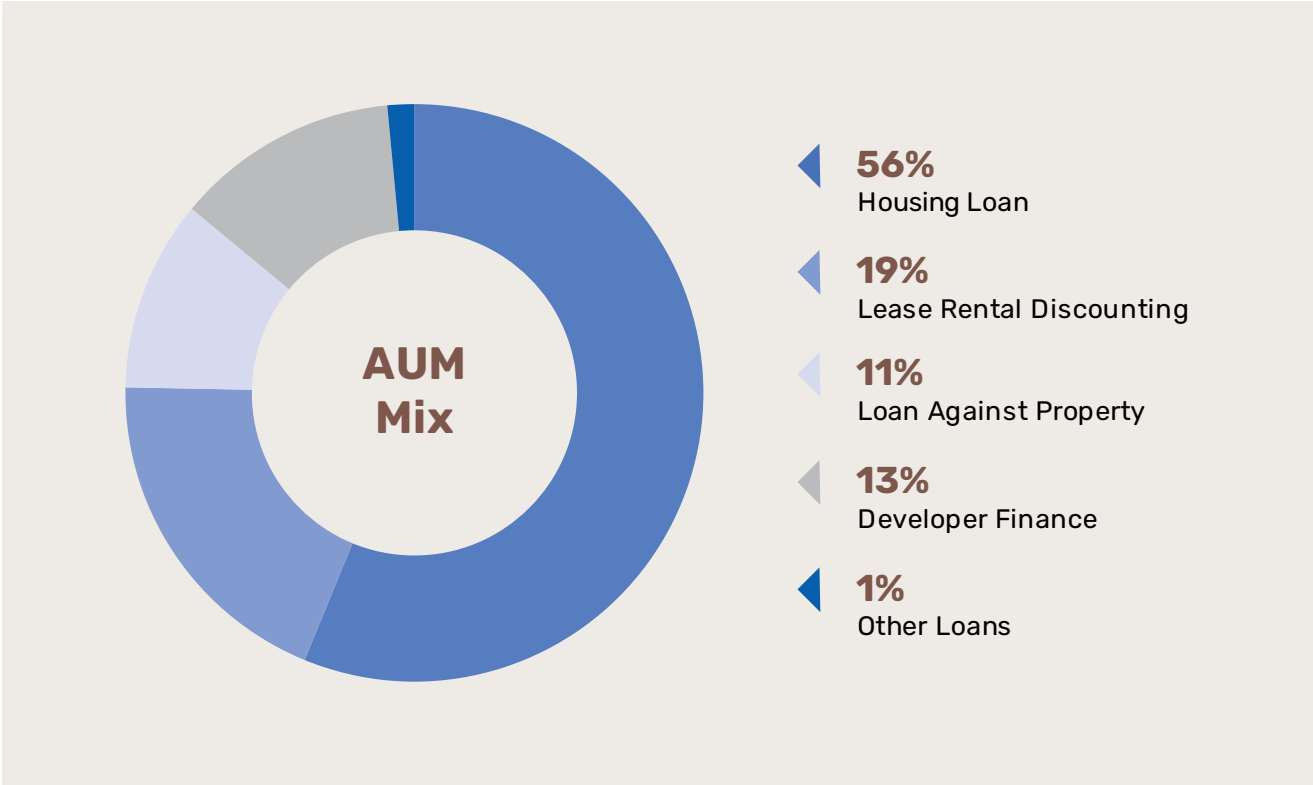
Residential & Commercial real estate developers.

Sourcing Strategy

Catering to developers focused on micro-market, regional as well as pan-India projects.

Acts as sourcing funnel for retail home loans.

Our portfolio comprises a full suite of mortgage solutions for a wide range of geographies and borrowers, offering competitive terms for individuals, developers, and enterprises, among others.



Assets Under Management (AUM): Snapshot

Table 1 (a): AUM across major business verticals

(₹ in crore)

Particulars	FY2025	FY2024	Change	AUM Mix
Housing loans (including top ups)	64,447	52,819	22%	56%
Loan against property	12,262	9,568	28%	11%
Lease rental discounting	21,913	17,637	24%	19%
Developer finance	14,346	9,599	49%	13%
Other loans	1,716	1,747	(2%)	1%
Total	1,14,684	91,370	26%	100%

Table 1 (b): AUM as per regulatory criteria

(₹ in crore)

Particulars	AR FY2025	AUM FY2025	AUM Mix FY2025	AR FY2024	AUM FY2024	AUM Mix FY2024
Housing loans	52,946	54,541	48%	41,949	43,832	48%
Non-Housing loans	16,731	21,869	19%	16,323	19,916	22%
CRE-residential housing	11,837	11,837	10%	8,095	8,095	9%
CRE	17,999	26,437	23%	12,934	19,527	21%
Total	99,513	1,14,684	100%	79,301	91,370	100%
IHL PBC%*	51.72%			51.49%		
Overall PBC%#	63.28%			61.43%		

*Percentage of total assets towards housing finance for individuals.

#Percentage of total assets towards housing finance.

Borrowings

BHFL maintains a diversified borrowing mix that includes term loans, money market instruments, and NHB refinance to align funding with long-term mortgage lending. To further diversify its borrowing profile, the Company issued floating rate non-convertible debentures (NCDs) for the first time in FY2025. This new avenue helps reduce interest rate risk, as the majority of its advances are floating in nature.

As of 31 March 2025, BHFL's borrowing profile mix consisted of:

- Term loans: 41%.
- Non-convertible debentures (NCD): 46%.
- Commercial papers (CP): 3%.
- NHB Refinance of 10%.

Overall borrowings stood at ₹82,072 crore as of 31 March 2025, versus ₹69,129 crore as of 31 March 2024.

In terms of incremental borrowing, during FY2025, BHFL raised ₹17,297 crore from NCDs, ₹7,000 crore from term loans, ₹2,894 crore from NHB refinance and ₹3,550 crore from CP.

The Company maintains assignment as an integral part of borrowing strategy where it executes assignment transaction with multiple partners while servicing the loan portfolio. As of 31 March 2025, outstanding assigned portfolio stood at ₹15,171 crore.

Investments

The Company has a Board-constituted Asset Liability Committee (ALCO) and an investment committee that oversee incremental investments and ensure that the overall investment portfolio aligns with the Board-approved investment policy and its limits. These investments are reviewed monthly by the ALCO committee, providing a second level of defense.

BHFL remains focused on optimising returns and diversifying its investment portfolio while ensuring that the investments are made in highly liquid instruments. To further diversify its investment portfolio, the Company began investing in state development loans (SDL), thereby expanding its investment options and enhancing overall portfolio returns.

The Company meets the regulatory liquidity coverage ratio requirement by investing in high quality liquid assets as defined by the RBI. As of 31 March 2025, BHFL's investment portfolio (including cash and cash equivalents) stood at of ₹2,394 crore – invested across treasury bills/ government securities (₹2,332 crore) and balances with banks (₹62 crore).

Table 2: Average return on investments

Particulars	Average Yield (%)
Government Securities	7.03%
Tri-party Repo Dealing and Settlement (TREPS)	6.39%
Mutual Funds	6.87%
Fixed deposit with banks	6.37%
Overall Return	6.90%

Financial Performance

Table 3 gives BHFL's financial performance for FY2025 vis-à-vis FY2024. Table 4 highlights the key ratios.

Table 3: Financials

Particulars	(₹ in crore)		
	FY2025	FY2024	Change
Total income	9,576	7,618	26%
Interest and finance charges	5,979	4,693	27%
Net total income	3,597	2,925	23%
Total operating expenses	747	703	6%
Pre-impairment operating profit	2,850	2,222	28%
Impairment on financial instruments	80	61	31%
Profit before tax (PBT)	2,770	2,161	28%
Profit after tax (PAT)	2,163	1,731	25%
Other comprehensive income/ (expenses)	11	(1)	
Total comprehensive income	2,174	1,730	26%
Earnings per share (EPS) basic, in ₹	2.67	2.58	

Table 4: Key Ratios

Ratios	FY2025	FY2024
Net total income (NTI) to average loans	4.0%	4.1%
Total operating expenses to Net Total Income (NTI)	20.8%	24.0%
Return on equity (ROE)	13.4%	15.2%
Capital to risk-weighted assets ratio (CRAR)	28.24%	21.28%
Tier I	27.72%	20.67%
Tier II	0.52%	0.61%
Gross NPA (GNPA)	0.29%	0.27%
Net NPA (NNPA)	0.11%	0.10%
Provisioning coverage ratio (PCR)	60.3%	63.7%
EPS - Basic (₹)	2.67	2.58
Diluted (₹)	2.67	2.58

Risk Management and Portfolio Quality

The Company faces various risks in its normal course of business, including credit, market, liquidity, interest rate, operational and technological risks. To identify and mitigate these risks, BHFL has established robust risk governance frameworks. The Board of Directors is supported by a dedicated Risk Management Committee (RMC), comprising directors and senior management personnel, which oversees the implementation of risk management policies, practices and metrics across the Company. This RMC reviews the performance of various risk metrics on a quarterly basis.

Additionally, the Company has institutionalised the Internal Capital Adequacy Assessment Process (ICAAP) policy, approved by the Board. This policy outlines the principles for identifying, evaluating and mitigating multiple risks in the business and assessing the additional capital required to alleviate these risks. The Company continuously assesses existing and emerging risks and updates its ICAAP policy accordingly.

BHFL has separate risk monitoring frameworks for retail and commercial portfolios. The retail portfolio monitoring team reviews key indicators for each product, including portfolio health, gross NPA and bounce rates to quickly identify potential risks and implement additional controls and policy enhancements. The commercial risk management team monitors critical elements in the developer financing portfolio, such as construction stages, sales and collection milestones; in the lease rental discounting portfolio, it monitors rental cash flows, vacancy trends and escrow compliance.

Credit Risk

The Company has a Board-approved credit policy with a delegation matrix that outlines approval authority separately for retail and commercial product underwriting. Additionally, there are specific product policies for due diligence, covering segment-wise credit evaluation, legal and technical reviews, and documentation requirements. These policies help assess customer profiles and inherent risks. Based on these principles, the centralised in-house credit appraisal teams thoroughly evaluate cases, ensuring consistent experiences, enhanced operational efficiency and quicker approval turnaround times. The underwriting process is supported by digital tools and modern initiatives like Account Aggregator for comprehensive assessments, ensuring faster turnaround times.

Credit risk is further monitored by dedicated portfolio monitoring units for both retail and commercial products. These units assess portfolio health, identify early warning signals, and conduct through-the-door monitoring to detect emerging concerns and implement real-time mitigation strategies to protect portfolio metrics. Both retail and commercial risk management units continuously monitor the portfolio to control delinquencies by addressing emerging risk segments.

As a preventive measure to identify fraud by any internal or external stakeholder, a dedicated risk containment unit examines early warning signals through automated workflows and exception reports, performing detailed checks on red flag cases before disbursement.

Periodic portfolio review mechanism and robust underwriting has helped the Company to maintain portfolio health, lower credit cost and expand sub-product offerings.

- BHFL's loan losses and provision for FY2025 was ₹ 80 crore versus ₹61 crore for FY2024, owing to normalisation of overlay release in current year.
- Gross NPA stood at 0.29% as of 31 March 2025 and net NPA at 0.11% – which underscores BHFL's robust risk management practices.
- The Company's overlay provision was ₹ 34 crore as on 31 March 2025 as against ₹ 94 crore as on 31 March 2024.

GNPA 0.29%

NNPA 0.11%

amongst the lowest in the industry

Table 5: Various stage wise assets of BHFL

(₹ in crore)

Particulars	Exposure at Default (EAD)	Expected Credit Loss (ECL)	ECL / EAD (%)	EAD Mix (%)
Stage 1	99,483	334	0.34%	99.39%
Stage 2	321	71	22.12%	0.32%
Stage 3	287	173	60.28%	0.29%
Total	1,00,091	578	0.58%	100.00%

Market Risk, Liquidity Risk and Interest Rate Risk

According to the Board-approved investment policy, the Company invests its surplus funds in various instruments that are subject to market risk. To mitigate this risk, BHFL's investments include treasury bills, government securities, liquid funds and term deposits with banks, all of which are highly liquid instruments aimed at maintaining adequate liquidity and minimising fair value changes.

Following the RBI guidelines, BHFL has a liquidity risk management framework to manage liquidity risk. The Assets and Liability Committee (ALCO) reviews operational procedures monthly to ensure there are no material gaps beyond regulatory limits or excessive concentration on the balance sheet. Mismatches between assets and liabilities across time buckets are monitored, and the Company maintains adequate liquidity, as evidenced by a higher Liquidity Coverage Ratio (LCR) of 192.81% compared to the regulatory requirement of 100% as of 31 March 2025.

The Company is also exposed to interest rate risk on investments and both fixed and floating rate linked assets and liabilities. BHFL has diversified borrowing sources, including term loans from banks, non-convertible debentures, commercial papers, and NHB refinance, spanning different maturity profiles and interest benchmarks, thereby exposing the Company to interest rate risk. Interest rate fluctuations can arise from various internal factors (such as maturity profile, mix between fixed and floating borrowings, product composition) or external factors (such as regulatory changes, macroeconomic developments, and competitive intensity). To assess interest rate sensitivity on assets and liabilities, BHFL uses Duration Gap Analysis, which is reviewed monthly by the ALCO.

Operational and Reputational Risk

The Company manages its operational risk based on its Board approved Operational Risk Management (ORM) Policy, which focuses on systematic and proactive identification, assessment, measurement, monitoring, mitigation and reporting of risks. These risks are continuously tracked through transactional-level internal process audits and further reinforced by the Internal Compliance Audit team. Additionally, automated and digitised processes are used to enhance efficiency and reduce operational risk. Moreover, compliance units within each business vertical identifies and mitigates operational risks arising from the processes of the business unit. The centralised service team continuously monitors customer requests and escalations on its CRM, social media and regulatory channels to provide end-to-end resolution for seamless customer experience and avoid reputational risk to the Company.

Technological Risk

The Company mitigates its technological risk through a three-tiered oversight structure over its IT landscape consisting of (i) the IT Strategy Committee, (ii) the IT Steering Committee, and (iii) the Information Security Committee. These operate within a well defined information and cyber security framework. The Company has implemented multiple initiatives to address technological risks, some of which are as follows:

- Web Application Firewall (WAF) protecting against various attacks like DDoS, SQL-Injection, etc.
- Data Leakage Prevention (DLP) for critical data and customer personal information protection.
- Endpoint Detection and Response (EDR) detects and protect from malicious activity on endpoints.
- Successful upgradation to ISO 27001-2022 certification to the latest standards for information security.
- 24x7 Securities Operations Center (SOC) monitoring security events.
- Disaster Recovery (DR) providing resilience against any unforeseen event.

The Company additionally conducts regular internal security audits, vulnerability assessments and penetration testing of systems, products and practices affecting user data in compliance with ISO 27001 standards.

Debt Management

The Company aims to maintain a low-risk portfolio, where a structured debt management approach plays a crucial role in its portfolio management strategy. A dedicated in-house debt management team focuses on high efficiency and minimal delinquency levels. This team operates from various locations to recover delinquent and current month outstanding accounts. The Company offers multiple digital payment options for overdue instalments, including UPI, NEFT, RTGS, and wallets, to facilitate convenient transactions.

Customers receive digital reminders in advance of their upcoming instalment payments, helping them maintain sufficient bank account balances. This approach ensures timely repayments and prevents unintentional defaults that could impact customers' credit histories.

A centralised team analyses customer payment patterns and allocates accounts to appropriate channels, such as a centralised touch-free collection unit or the field team. The debt management structure is divided into three teams each requiring a tailored debt management approach. These are: (i) the current month outstanding team, (ii) the early delinquency customer team, and (iii) the NPA and write-off customer segments team. Early delinquent and NPA customers are further supported by a dedicated DMS team with a legal framework that includes arbitration notices, customised legal notices, enforcement actions through SARFAESI and auctioning of repossessed properties to accelerate recovery.

For the commercial portfolio, BHFL follows a relationship-driven model where dedicated relationship managers handle both sourcing and debt management, acting as a single point of contact for customers.

Asset Liability Management (ALM)

BHFL employs a three-tiered structure to oversee its asset liability management, consisting of a board-level Committee of Directors, a management-level Asset Liability Committee (ALCO), and a sub-committee.

The Management-level committee reviews macroeconomic indicators affecting the industry and the Company, monitors interest rate scenarios, liquidity positions, balance sheet growth, and liability maturities, and guides the treasury team on fundraising plans. It also reviews monthly asset liability mismatches to ensure there are no excessive concentrations or material imbalances on either side of the balance sheet, maintaining adequate liquidity to navigate a market liquidity crunch.

Liquidity risk is managed according to the liquidity risk management framework and Asset Liability Management Policy. To diversify its borrowing sources, the Company meets its liquidity needs through various instruments such as term loans from banks, money market borrowings, and NHB refinance.

BHFL maintains minimum daily liquidity as per the regulatory Liquidity Coverage Ratio (LCR) requirement, investing in high-quality liquid assets like government securities, state development loans, treasury bills, and cash and bank balances.

Any surplus above the regulatory minimum LCR is invested in liquid mutual funds to meet the Company's liquidity needs.

The committee monitors the regulatory LCR to ensure compliance and liquidity maintenance, with BHFL maintaining an LCR of 192.81% as of March 31, 2025, which is well above the 100% regulatory requirement. The Management-level Investment Committee also monitors the investment position monthly, following the board-approved investment policy.

To manage interest rate risk from mismatches between fixed-rate liabilities and floating-rate assets, the Company hedges interest rate risk by converting fixed-rate liabilities into floating-rate liabilities. BHFL also monitors interest rate risk by categorising rate-sensitive assets and liabilities into defined tenor buckets and monitoring gap limits set by the board through the ALM policy.

The Company monitors asset liability mismatches for defined maturity buckets as per regulations and the ALM policy limits. Inflows are categorised based on behavioural patterns from the loan book, considering past prepayments and foreclosure trends. Outflows are categorised based on the maturities of borrowings according to their contractual maturity dates, with other assets and liabilities considered based on past trends.

BHFL maintained a cumulative positive ALM position with maturity up to the one-year bucket with cumulative inflow amounting to ₹31,327 crore and cumulative outflow amounting to ₹31,491 crore. Moreover, the Company has positive ALM position in 1-7 days, 8-15 days and 15-31 days as against the extant RBI regulation which permits a negative ALM mismatch of up to 10%, 10% and 20% respectively.

Table 6 gives the behavioural maturity pattern of BHFL's asset and liabilities.

Table 6: Behaviouralised ALM snapshot as on 31 March 2025

(₹ in crore)

Particulars	1 to 7 days (one month)	8 to 15 days (one month)	15 to 30/31 days (one month)	Over one month to 2 months	Over 2 months to 3 months	Over 3 months to 6 months	Over 6 months to one year	Over one year to 3 years	Over 3 to 5 years	Over 5 years	Total
A. Inflows											
Cash and investments	63	6	60	300	209	148	528	-	1,281	-	2,595
Advances	1,074	431	1,101	2,002	1,945	5,555	9,953	28,982	16,941	31,529	99,513
Other Inflows	9	-	1,088	66	1,617	2,959	2,213	7,568	5,875	8,015	29,410
Total inflows	1,146	437	2,249	2,368	3,771	8,662	12,694	36,550	24,097	39,544	1,31,518
B. Cumulative total inflows	1,146	1,583	3,832	6,200	9,971	18,633	31,327	67,877	91,974	1,31,518	
C. Outflows											
Borrowings repayment	338	-	563	564	2,707	5,619	9,412	31,229	15,716	15,924	82,072
Capital reserves and surplus	-	-	-	-	-	-	-	-	-	19,947	19,947
Other outflows	549	268	1,617	975	909	2,579	5,391	13,083	494	3,634	29,499
Total outflows	887	268	2,180	1,539	3,616	8,198	14,803	44,312	16,210	39,505	1,31,518
D. Cumulative total outflows	887	1,155	3,335	4,874	8,490	16,688	31,491	75,803	92,013	1,31,518	
E. Gap (A - C)	259	169	69	829	155	464	(2,109)	(7,762)	7,887	39	
F. Cumulative gap (B - D)	259	428	497	1,326	1,481	1,945	(164)	(7,926)	(39)	-	
G. Cumulative gap (%) (F/D)	29%	37%	15%	27%	17%	12%	(1%)	(10%)	(0%)	0%	
H. Permissible cum. gap (%)	(10%)	(10%)	(20%)								

Digitalisation

To provide a seamless customer experience, BHFL utilises technological initiatives to enhance its processes and minimise manual interventions, thereby improving turnaround times and customer satisfaction. It is dedicated to delivering a consistent and smooth experience to its key stakeholders: customers, salesforce and intermediaries. In line with this commitment, the Company launched a customer onboarding platform where customers, salesforce, and channel partners can digitally log in loan applications, work on application fulfilment from any location, perform banking verification checks through various methods, pay fees, and upload multiple documents directly to the centralised underwriting team.

The Company has adopted RBI-supported initiatives like the Account Aggregator functionality, which eliminates the need for physical bank statements from customers, based on their consent, and supports banks within the ecosystem.

e-agreement **93%**

online customer onboarding **80%**

Penetration in March 2025

Other digital initiatives by the Company include Aadhar OTP-based e-agreements and OTP-based KFS cum e-sanction letters, providing a transparent and hassle-free experience for customers while reducing manual intervention and eliminating physical documents throughout the loan process. New initiatives of e-agreement and online customer onboarding have shown encouraging results crossing penetration of 93% and 80% respectively in March 2025. Additionally, in compliance with regulatory guidelines, all agreements are bilingual and available in seven different languages.

To ensure a smooth onboarding experience for partners, the Company has dedicated portals for intermediaries, thus enabling field teams to easily expand their distribution network. For customer convenience and a seamless experience, BHFL uses its digital touchpoints, allowing potential customers to reach out for any loan requirements through features like 'Call me back', 'Call to apply', 'Digital Sanction Letter' and 'Apply through WhatsApp' on the website.

Underwriting

The Company has distinct underwriting frameworks and dedicated teams for retail and commercial products to assess various loan products, transaction types, and customer profiles.

To ensure faster approvals and a consistent process, BHFL has established a centralised hub-based underwriting model, operating through five hubs. These hubs utilise various digital tools and Account Aggregator functionality for detailed loan analysis and quicker delivery. The Company has specific underwriting frameworks and policies for salaried and self-employed customers to assess different transaction types. BHFL's Business Rule Engine (BRE)-based customer segmentation helps categorise customers to optimise resource allocation and maintain approval turnaround times (TAT). The underwriting process includes telephonic personal discussions and video discussions before loan approval. Additionally, physical business verification checks are conducted for self-employed customers. The central hindsight team also reviews credit and collateral decisions before disbursement. The Company has in-house dedicated collateral teams for both legal and technical evaluations, dispersed across various hubs nationwide.

The dedicated commercial underwriting team, with subject matter expertise based in operating locations, recommends transactions that are then sent for final decision/approval to the centralised team, employing a hybrid approach of field due diligence and centralised approval. The field team assesses the customer profile, transaction structure, funding schedule, etc., followed by a comprehensive credit appraisal memo with an exhaustive assessment of customer financials, operational performance, and micro-market assessment, which is then reviewed by the centralised team.

The underwriting team for lease rental discounting loans reviews three critical elements involved in such transactions: the lessor, collateral, and the lessee. Developer financing underwriting includes reviewing the developer's financial strength, project completion track record, repayment capacity, project approvals, micro-market assessment, etc. Both lease rental discounting and developer financing transactions are backed by escrow mechanisms for rental and project cash flows, respectively.

Customer Service

Customer engagement is a continuous process throughout the loan lifecycle, and the customer service function ensures prompt and efficient resolution of concerns. Our goal is to provide a seamless experience that fosters customer loyalty and strengthens brand recall.

Recognising the growing preference for non-intrusive digital communication, BHFL proactively empowers customers with enhanced self-service options. These initiatives automate many processes and digitise the customer journey. Through our customer portal and mobile app, customers can easily raise service requests, download essential loan documents, access flexible payment options (including advance instalments, part pre-payments, increased instalments, reduced tenure, and missed instalment payments via ECMS, UPI, and Bill Desk), and use a self-service query form to independently troubleshoot concerns.

To ensure effective resolution of customer queries, the Company has established a robust grievance redressal mechanism with defined turnaround times and a structured escalation hierarchy for unresolved or delayed queries/complaints. By leveraging Machine Learning (ML) for sentiment analysis, BHFL prioritises and categorises customer queries, enabling more personalised and timely responses. The Company's enhanced ML framework strengthens customer service capabilities by processing straight-through requests and analysing data points shared by customers, leading to faster resolutions and better customer experiences.

Additionally, our advanced data analytics and risk modelling capabilities help predict customer behaviour and segment portfolios throughout the loan lifecycle. This allows us to proactively engage customers with personalised solutions and assess their needs for additional funding which, in turn, enhance customer retention and foster long-term relationships.

To improve service quality, the Company actively manages customer complaints, follows regular feedback processes, and conducts Root Cause Analysis (RCA) of customer issues. It also monitors social media and other platforms to address any unfavourable viewpoints or concerns, and takes corrective actions when necessary.

Human Resources

BHFL's commitment to maintaining high standards of execution and fostering an empowered workplace remained a key focus area throughout the year.

To develop and retain in-house talent for organisational growth and a diverse workforce, the Company offers various career growth initiatives such as internal job postings and job rotations to accelerate employee progress within the organisation. It has a dedicated employee engagement and retention framework involving active participation from senior management. BHFL continues to attract and hire best-in-class industry talent to create a diverse pool for sustainable growth.

The Company offers a variety of training programs for existing and new employees. Two signature training programs for frontline sales leaders are (i) the Managerial Excellence Program (MEP), and (ii) the Leadership Excellence Program (LEP). MEP focuses on developing essential managerial skills and driving operational efficiency, while LEP addresses the developmental needs of leaders, emphasising team leadership and organisational goals. These programs covered 320 employees during FY2025.

To ensure a smooth onboarding experience for new frontline sales employees, the Company has a dedicated training program called 'STEPS', which covers an overall understanding of the organisation, its cultural anchors, policies and processes to understand on-the-job nuances. Additionally, the Company offers a four-day corporate induction program and has a dedicated learning platform to cater to specific upskilling needs of existing employees.

To promote a culture of diversity, equity, and inclusion across the organization, the Company introduced the DEI Spectrum policy. During the year, 93 women employees participated in the 'Building Resilient Minds' program, designed to build resilience and thrive in a dynamic work environment.

BHFL organised an annual family day event across 11 cities, celebrating the role of families in supporting our workforce and offering a fun-filled day that recognises the importance of inclusivity for employees and their family members.

To recognise exceptional contributions of our employees, BHFL has a reward and recognition program aligned with our cultural anchors. Under this program, employees delivering outstanding performance are rewarded periodically – monthly, quarterly and yearly – to foster a culture of recognition and encourage them to exceed their performance.

BHFL's employees are also focused on community well-being and public health. There has been active participation in various social initiatives of the Company like 'Daan Utsav' across pan-India branches where 2,999 items were donated under different categories to underserved communities, There were also blood donation camps across 8 major cities, where employees donated 370 blood bags.

As on 31 March 2025, BHFL had 1,977 employees.

Internal Control Systems and their Adequacy

BHFL has a robust internal control system and established processes across its businesses and functions to identify and mitigate both existing and potential risks. The Risk Management Committee (RMC) and the Assets and Liabilities Committee (ALCO) are established to review key aspects related to business and functional risks, with representation from business and functional stakeholders. BHFL has institutionalised three levels of defence:

- Internal Operations Management.
- Risk and Compliance Functions.
- Internal Audit Function.

To test the implementation and efficiency of Internal Control over Financial Reporting (ICOFR), the Company has dedicated functions that regularly check these controls, identify potential operational risks and ensure timely rectification. Additionally, BHFL conducts Information and Technology General Controls (ITGC) reviews to periodically test the efficiency of internal controls across systems and rectify any deficiencies. Specialised

units ensure regular checks on internal processes within the operations and IT departments, identify gaps and implement mitigation measures. The Company also has a concurrent audit team to regularly review, identify and assess transactional risks in credit, collateral, and operational compliances.

Compliance is an inherent part of each business operation, with internal controls acting as the first level of defence. The Company has a dedicated compliance unit for additional review. Under the supervision of the Chief Compliance Officer (CCO), the Compliance function is responsible for reviewing and assessing compliance risks and monitoring regulatory compliances across businesses and functions.

In accordance with an RBI notification, BHFL has implemented a Risk-Based Internal Audit (RBIA) framework linked to the overall risk management framework. As the third line of defence, internal audits are carried out by an internal team.

The Board-approved Audit Committee reviews significant observations reported by the internal audit function, along with periodic follow-up actions on a quarterly basis, to assess the performance of internal audits and the adequacy and effectiveness of internal controls.

Fulfilment of the RBI and NHB's norms and standards

BHFL remains compliant with the prevailing rules and regulations on housing finance companies as issued by the RBI as well as the NHB. The Company continues to be classified as Upper Layer NBFC under the Scale Based Regulations issued by the RBI – under which the Company has implemented required policies and processes to comply with these regulations including the regulatory threshold of maintaining minimum 60% of total assets towards housing finance and 50% of total assets for individual housing as laid down under 'Principal Business Criteria'. As of 31 March 2025, BHFL has 63.28% of total assets towards housing finance and 51.72% of total assets towards individual housing finance.

Table 7: Regulatory ratios versus the minimum requirements stipulated by the RBI

Particulars	As on 31 March 2025	RBI Stipulation
Capital to Risk-weighted Assets Ratio (CRAR)	28.24%	15.00%
Of which Tier-I	27.72%	10.00%
Liquidity Coverage Ratio (LCR)	192.81%	100.00%
Asset liability mismatch (ALM)		
1-7 days	29%	(10%)
8-14 days	37%	(10%)
15-30 days	15%	(20%)
Principal Business Criteria (PBC)		
IHL PBC	51.72%	50.00%
Overall PBC	63.28%	60.00%

Cautionary Statement

Some 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.



YOUR HOME, YOUR WAY

BAJAJ HOUSING FINANCE

For Indians, buying a home is more than a financial decision—it's an emotional milestone.

It marks the beginning of security, pride, and belonging for every family.

At Bajaj Housing Finance, we honour this sentiment by offering solutions that are as unique as our customers.

Whether it's a first-time buyer with limited income or someone seeking a premium residence, we simplify every step—right from application to post-disbursal—through tailored products, transparent processes, and a focus on convenience.

*Because when it comes to building
a home, one size never fits all.*



YOUR HOME LOAN JOURNEY, DIGITALLY SIMPLIFIED



TAILORED REPAYMENT SOLUTIONS

- ▶ Flexible down payment options*
- ▶ 'My EMI' scheme with EMIs starting ₹ 4,999*
- ▶ Up to 18-month 'EMI Holiday'*
- ▶ 'Pre-EMI'*

QUICK & TRANSPARENT

- ▶ No hidden charges
- ▶ Disbursal in 48 hrs[#]
- ▶ Quick processing with digital solutions
 - ✓ e-Application
 - ✓ e-Sanction
 - ✓ e-Agreement

SERVICE AT YOUR FINGERTIPS

- ▶ Doorstep Documentation
- ▶ DIY Service Options on Customer Portal / App
 - ✓ Download statements & certificates
 - ✓ Make changes to your loan
 - ✓ Make payments

*T&C apply | For the list of interest rates offered, Important Terms & Conditions and details of fees and charges, please visit <https://www.bajajhousingfinance.in>
Finance at the sole discretion of Bajaj Housing Finance Limited.

[#]The loan is disbursed after the approval of application.

DIRECTORS' REPORT

Your directors present the seventeenth Annual Report along with the financial statements for FY2025.

At the outset we thank all shareholders who have reposed confidence in us by participating in the maiden public offer of the Company. This was the first public offer of the group after thirty years.

The Company's Initial Public Offering ('IPO') secured remarkable level of interest from investors across all categories with the issue over-subscribed almost 68 times, excluding bids from anchor investors. The portion for Qualified Institutional Bidders ('QIBs') witnessed a significant 222.6 times subscription, while the portion reserved for non-institutional investors witnessed 41.06 times and the retail portion 7.94 times subscription.

More details of the IPO are given in the section on Initial Public Offering of this report.

Company Overview

Bajaj Housing Finance Ltd. ('BHFL' or 'the Company') is registered with National Housing Bank ('NHB') as a non-deposit taking Housing Finance Company ('HFC') engaged in the business of mortgage lending since Fiscal 2018. The Company is a subsidiary of Bajaj Finance Limited ('BFL'/'Holding Company').

The Company offers financial solutions tailored to individuals and corporate entities for the purchase and renovation of homes and commercial spaces. The Company's mortgage product suite is comprehensive and comprises (i) home loans; (ii) loans against property ('LAP'); (iii) lease rental discounting; and (iv) developer financing. The financial products offered by the Company cater's to every customer segment, from individual homebuyers to large-scale developers/HNIs. BHFL is also a registered intermediary within the meaning of Insurance Regulatory and Development Authority of India ('IRDAI') as a corporate agent.

The Company is classified as an Upper Layer NBFC under the Reserve Bank of India ('RBI') Scale Based Regulations.

Financial results

The key highlights of the financial results for FY2025 are given below:

Particulars	(₹ in crore)		
	FY2025	FY2024	% change over FY2024
Total income	9,576	7,618	26%
Finance Cost	5,979	4,693	27%
Net total income	3,597	2,925	23%
Total operating expenses	747	703	6%
Pre-provisioning operating profit	2,850	2,222	28%
Impairment on financial instruments	80	61	31%
Profit before tax (PBT)	2,770	2,161	28%
Profit after tax (PAT)	2,163	1,731	25%
Retained earnings as at the beginning of the year	3,719	2,335	59%
Profit after tax	2,163	1,731	25%
Other comprehensive income	(1)	(1)	0%
Retained earnings before appropriations	5,881	4,065	45%
Appropriations			
Transfer to reserve fund u/s 29C of the NHB Act, 1987	433	346	25%
Retained earnings as at the end of the year	5,448	3,719	46%

By virtue of rounding off, numbers presented in above table may not add up precisely to the totals provided.

Working results of the Company

- Asset Under Management ('AUM') as on 31 March 2025 was ₹ 1,14,684 crore as compared to ₹ 91,370 crore as on 31 March 2024, representing an increase of 26% over the previous year.
- Loan receivables as on 31 March 2025 was ₹ 99,513 crore as compared to ₹ 79,301 crore as on 31 March 2024, an increase of 25% over the previous year.
- Total income during FY2025 increased to ₹ 9,576 crore from ₹ 7,618 crore during FY2024 registering a growth of 26% over the previous year.
- Total operating cost to net total income in FY2025 decreased to 20.8% from 24.0% in FY2024.
- Impairment on financial instruments was ₹ 80 crore. The Company holds macro-economic overlay of ₹ 34 crore as at 31 March 2025.
- The Company ended FY2025 with a Gross NPA of 0.29% and Net NPA of 0.11% as against 0.27% and 0.10% for FY2024.
- Profit before tax for FY2025 was ₹ 2,770 crore as against ₹ 2,161 crore for FY2024, an increase of 28% over the previous year. This is mainly due to the Company's healthy net interest margin, operating efficiencies and prudent risk management.
- The profit after tax for FY2025 was ₹ 2,163 crore as compared to ₹ 1,731 crore for FY2024, an increase of 25% over the previous year.

Share capital

a. Allotment of Equity shares through Rights Issue

On 3 April 2024, the Special Committee for Rights Issue constituted by the Board of Directors has allotted, on rights basis, 1,107,419,709 equity shares of face value of ₹ 10/- each at premium of ₹ 8.06 per equity share, aggregating to ~ ₹ 2,000 crore, to Bajaj Finance Limited.

b. Allotment of Equity shares through Initial Public Offering

On 13 September 2024, the Company has made an allotment of equity shares through IPO for 93,71,42,856 equity shares of ₹ 10/- each, comprising a fresh issue of 50,85,71,428 equity shares of the Company and 42,85,71,428 equity shares offered for sale by selling shareholders. The equity shares were issued at a price of ₹ 70/- per equity share (including a share premium of ₹ 60/- per equity share).

The Company's equity shares got listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') on 16 September 2024.

c. Allotment of Equity shares to Bajaj Housing Finance ESOP Trust

On 11 April 2025, the Allotment Committee for ESOPs of the Board of Directors has allotted 41,87,918 equity shares of face value of ₹ 10/- each at grant price of ₹ 54.5/- per equity share (including a share premium of ₹ 44.5/- per equity share) to the Bajaj Housing Finance ESOP Trust under the Bajaj Housing Finance Limited Employee Stock Option Scheme, 2024.

Pursuant to the aforesaid allotments of equity shares, the issued, subscribed and paid-up capital of the Company stands increased to ₹ 83,32,33,46,190 (8,33,23,34,619 Equity shares of ₹ 10/- each).

During FY2025, the Company has not issued any convertible securities and there are no outstanding convertible securities as on 31 March 2025.

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 had formulated a dividend distribution policy, which sets out the parameters and circumstances to be considered by the Board of Directors ('Board') in determining the distribution of dividend to its shareholders and/or retaining profit earned. The dividend distribution policy was approved at the meeting of the Board of Directors held on 6 June 2024. The aforesaid policy is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/documents/37350/53075/BHFL+Dividend+Distribution+Policy.pdf>.

Dividend

Considering the capital-intensive nature of the business, the business growth plan of the Company and with a view to plough back profits, your Board has not recommended any dividend for consideration of its members at the ensuing Annual General Meeting ('AGM') to build a strong base for long-term sustainable growth.

Transfer to Reserve Fund

Under Section 29C of the National Housing Bank Act, 1987, Housing Finance Companies ('HFCs') are required to transfer a sum not less than 20% of their net profit every year to their reserve fund before declaration of any dividend. The Company has transferred a sum of ₹ 432.58 crore to reserve fund, which is 20% of its net profit.

Pursuant to provisions of Companies Act, 2013 (the 'Act') read with relevant rules thereunder, the Company, being an HFC, is exempt from creating a debenture redemption reserve in respect of privately placed debentures including the requirement to invest up to 15% of the amount of debentures maturing during the next financial year. However, the Company maintains sufficient liquidity buffer to fulfil its obligations arising out of debentures. In case of secured debentures, an asset cover of at least 100% is maintained at all times.

Scale Based Regulations

The Reserve Bank of India issued a circular on "Scale Based Regulation (SBR): A Revised Regulatory Framework for NBFCs" on 22 October 2021 ('SBR Framework'). As per the SBR framework, based on size, activity, and risk perceived, NBFCs are categorised into four layers, NBFC - Base Layer (NBFC-BL), NBFC - Middle Layer (NBFC-ML), NBFC - Upper Layer (NBFC-UL) and NBFC - Top Layer (NBFC-TL). The RBI vide its press release dated 16 January 2025 has continued categorising the Company as an NBFC - Upper Layer.

Initial Public Offering (IPO)

Reserve Bank of India ("RBI"), vide press release dated 30 September 2022, classified the Company as an NBFC - Upper Layer, which required the Company to be mandatorily listed on or before 30 September 2025.

Pursuant to the same, the Company came out with its IPO for listing its equity shares on the BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') in September 2024. The IPO comprised of fresh issue of ₹ 3,560 crore and an offer for sale of ₹ 3,000 crore, aggregating to ₹ 6,560 crore. The equity shares were issued at a price of ₹ 70/- per equity share (including a share premium of ₹ 60/- per equity share). The equity shares of the Company were listed on both the stock exchanges on 16 September 2024. Further, the proceeds of the IPO have been utilized for the object mentioned in the offer document.

Pursuant to the allotment of equity shares, the Company ceased to be wholly owned subsidiary of BFL with effect from 13 September 2024.

Operations of the Company

Details regarding the operations of the Company and its state of affairs are covered in the 'Management Discussion and Analysis Report'.

Corporate Agent

The Company has received Certificate of Registration from the Insurance Regulatory and Development Authority of India ('IRDAI') to act as Corporate Agent (Composite) bearing registration no. CA0885 with validity of three years from 22 December 2023 to 21 December 2026.

The Company has Corporate Agency agreement executed with HDFC Life Insurance Company Limited, ICICI Prudential Life Insurance Company Limited, Bajaj Allianz Life Insurance Company Limited, Bajaj Allianz General Insurance Company Limited and Max Life Insurance Company Limited.

Borrowings

The overall borrowing limit of the Company has been increased to ₹ 1,50,000 crore by shareholders at its Extra Ordinary General Meeting held on 6 June 2024.

The total borrowing as on 31 March 2025 is ₹ 82,071.94 crore. The break-up of the same is as under:

(₹ in crore)

Particulars	Bank Loans (TL/CC/OD/WCDL)	Non-Convertible Debentures	Short-term Borrowings (CP/ICD/TREPS)
Amount	42,068.68	37,524.58	2,478.68
% to total borrowing	51.26%	45.72%	3.02%

As per the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulations) Directions 2023, the Company was required to maintain a minimum Liquidity Coverage Ratio (LCR) of 100% from 1 December 2024 onwards. The daily average LCR of the Company during Q4 and as of 31 March 2025 stood at 190.93% and 192.81% respectively.

Subsidiaries, Associates and Joint Ventures

The Company does not have any subsidiaries, associates, or joint ventures. Accordingly, the requirement of attaching form AOC-1 is not applicable to the Company.

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://www.bajajhousingfinance.in/documents/37350/53075/BHFL+Policy+for+determining+material+subsidiaries+19.03.2025.pdf>.

As per Regulation 16(1)(c) of SEBI Listing Regulations, a company, whose turnover or net worth exceeds ten percent of the consolidated turnover or net worth respectively, of its holding company in the immediately preceding accounting year, is deemed its material subsidiary.

For FY2025, the Company continues to remain to be classified as material subsidiary of Bajaj Finance Limited ('BFL'), the Holding Company, and Bajaj Finserv Limited ('BFS'), the ultimate Holding Company.

Directors and Key Managerial Personnel (KMP)

A. Change in Directorate:

i. Appointment

S M N Swamy (DIN: 10367727)

On recommendation of the Nomination and Remuneration Committee ('NRC'), the Board has appointed S M N Swamy as a Non-Executive Independent Director of the Company for a period of 5 consecutive years effective from 1 August 2024. The same has been approved by the members vide their special resolution dated 19 August 2024.

The Board is of the opinion that S M N Swamy is a person of integrity and possesses relevant expertise & experience and proficiency to serve the Company as an Independent Director that can strengthen the overall composition of the Board.

Pursuant to the provisions of rule 6(4)(C) of the Companies (Appointment and Qualifications of Directors) Rules, 2014, as amended, S M N Swamy is exempted from completion of online proficiency self-assessment test.

He is a member of the Audit Committee, Stakeholders' Relationship Committee, Customer Service Committee and Special Committee for Monitoring and Follow-up of Cases of Frauds.

B. Directors liable for rotation:

Atul Jain, (DIN: 09561712) retires by rotation at the ensuing AGM, and being eligible, offers himself for re-appointment.

Brief details of Atul Jain, who is seeking re-appointment, are given in the Notice of seventeenth AGM.

C. Key Managerial Personnel (KMP):

During FY2025, there was no change in KMP.

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 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.

Remuneration Policies

a. Policy for Compensation of KMP and SMT pursuant to the RBI Guidelines

The RBI vide its circular dated 29 April 2022 issued Guidelines on Compensation of Key Managerial Personnel ('KMP') and Senior Management ('SMT') in NBFCs pursuant to Scale Based Regulatory Framework.

Accordingly, the Company has adopted a Board approved policy exclusively governing compensation payable to KMP and SMT. This policy lays down detailed framework, *inter alia*, encompassing the following:

- Principles of compensation;
- Compensation components;
- Principles of variable pay;
- Deferral of variable pay;
- Compensation for control and assurance function personnel; and
- Provisions for malus and clawback and circumstances under which application of malus and clawback is to be considered.

The Board at its meeting held on 24 April 2024 amended the policy to provide the reference of the Company's ESOP scheme.

The aforesaid policy can be accessed at <https://www.bajajhousingfinance.in/documents/37350/53075/Remuneration+policy+-+RBI.pdf>.

b. Policy on Directors' Appointment and Remuneration

Pursuant to Section 178(3) of the Companies Act, 2013 and Regulation 19(4) read with Part D of Schedule II of the SEBI Listing Regulations, the Board has framed a remuneration policy. 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 aforesaid policy can be accessed at <https://www.bajajhousingfinance.in/documents/37350/53075/Remuneration+Policy+-+Companies+Act.pdf>

During FY2025, there were no pecuniary relationship/transactions of any of the Non-Executive Directors with the Company apart from sitting fees and profit linked Commission, payable to them as directors.

Formal annual evaluation of the performance of the Board, its Committees and Directors

Pursuant to Section 178 of the Act, the Board decided that the evaluation shall be carried out by the Board and the NRC shall 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 of Directors excluding the Director

being evaluated, based on performance and fulfillment of criteria of independence and their independence from management.

Based on 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 FY2025 is given below:

- The NRC at its meeting held on 27 January 2025, reviewed the criteria for performance evaluation and recommended the modifications to the Board for its approval. The Board at its meeting approved the proposed modifications.
- Based on the said criteria, a questionnaire-cum-rating sheet was deployed using an IT platform for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors. An option for qualitative feedback was also included.
- 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 FY2025 and a consolidated report thereof was arrived at.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 19 March 2025.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 19 March 2025.
- Based on the report and evaluation, the NRC and Board at their respective meetings held on 19 March 2025, determined that the 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 19 March 2025 have been furnished in a separate paragraph elsewhere in this report.
- During FY2025, the process followed by the Company was reviewed by the NRC, which opined it to be in compliance with the applicable provisions and found it to be satisfactory.

Other than the Chairman of the Board and NRC, no other Director has access to the individual ratings given by directors.

Meeting of Independent Directors

Pursuant to Section 149(8) read with Schedule IV of the Act, and Regulation 25(3) of SEBI Listing Regulations, the Independent Directors shall hold at least one meeting in a financial year without the presence of Non-Independent Directors and members of the management. The meeting of Independent Directors of the Company was held on 19 March 2025.

The Independent Directors at the meeting held on 19 March 2025, *inter alia*:

- Noted the report of performance evaluation of the Board & its committees for the year 2024-25.
- Reviewed the performance of Non-Independent Directors and the Board as a whole.
- Reviewed the performance of the Chairman of the Board taking into account the views of Executive Directors and 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.

Number of Board Meetings

The Board met ten times during FY2025 on 24 April 2024, 6 June 2024, 7 June 2024, 22 July 2024, 20 August 2024, 30 August 2024, 11 September 2024, 21 October 2024, 27 January 2025 and 19 March 2025. The gap between any two consecutive meetings was less than one hundred and twenty days.

Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards ('IndAS') under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values pursuant to the provisions of the Act and guidelines issued by the SEBI/RBI/NHB. Accounting policies

have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy. These form a part of the notes to the financial statements.

In accordance with the provisions of Section 134(3)(c) of the Act, 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, if any;
- 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 profit of the Company for FY2025;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, 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

The Company has an Audit Committee fulfilling the requirements under the Act, RBI Master Direction –Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 (“RBI Regulations”) and SEBI Listing Regulations.

The Committee comprises of Anami N Roy (DIN: 01361110), Chairman, Dr. Arindam Bhattacharya (DIN: 01570746), Rajeev Jain (DIN: 01550158), Jasmine Chaney (DIN: 07082359) and S M N Swamy (DIN: 10367727).

The composition of Audit Committee is over and above the minimum requirement prescribed under the Act, SEBI Listing Regulations, and RBI Regulations of having a minimum of two-thirds of Independent Directors, including the Chairman. 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 recommendations of the Audit Committee were accepted by the Board.

The brief terms of reference and attendance record of members are given in the Corporate Governance Report.

Particulars of Loans, Guarantees and Investments

The Company, being a HFC registered with the NHB and engaged in the business of providing loans in ordinary course of its business, is exempt from complying with the provisions of Section 186 of the Companies Act, 2013, with respect to loans. Accordingly, the Company is exempted from complying with the requirements to disclose in the financial statement the full particulars of the loans given, investment made, guarantee given, or security provided.

Employee Stock Options (ESOPs)

With a view to maintain a right balance between fixed pay, short-term incentives and long-term incentives and to effectively align with the risk considerations and build focus on consistent long-term results, the Company has formulated an Employee Stock Option Scheme in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (‘SEBI SBEB Regulations’). Pursuant to Regulation 12(1) of the SEBI SBEB Regulations, post listing, the approval of shareholders was sought through postal ballot held on 21 December 2024, ratifying the scheme.

The Company follows an annual appraisal process. Various factors such as past year’s performance, grade of the employee, length of service, role and overall contribution, the performance of business/function to which the employee belongs, merits of the employee, future potential contribution by the employee and/or such other similar factors would be considered by the Compensation Committee while approving the grant of options.

A statement giving complete details, as at 31 March 2025, under Regulation 14 of SEBI SBEB Regulations, and Rule 12(9) of Companies (Share Capital and Debentures) Rules, 2014 are available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/annual-reports>.

Grant wise details of options vested, exercised, and cancelled are provided in the notes to the financial statements. The Company has not issued any sweat equity shares or equity shares with differential voting rights during FY2025.

Related Party Transactions

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

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

Pursuant to Regulation 23(4) of the SEBI Listing Regulations, 2015, all material related party transactions and subsequent material modification as defined in the policy on materiality of related party transaction shall require prior approval of the shareholders through resolution and no related party shall vote to approve such resolutions whether the entity is a related party to the particular transaction or not.

Further, as per Regulation 23(1) of SEBI Listing Regulations, 2015, transaction with a related party shall be considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds rupees one thousand crore or ten per cent of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, whichever is lower.

Material Related Party Transactions with Bajaj Finance Limited

In terms of Regulation 23 and other applicable provisions of SEBI Listing Regulations, 2015 and Company's Policy on Materiality of & Dealing with Related Party Transactions, based on the approval of the Audit Committee, approval of the Members was sought for entering into and/or continuing with arrangements/ contracts/ agreements/transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Bajaj Finance Limited, being a related party of the Company, in the nature of:

Particulars	(₹ in crore) Amount
Transfer/sale of loans or loan pools by way of assignment and servicing arrangements	5,050
Availing of loans or advances, credit facilities, or any other form of fund-based facilities	2,500
Charges for inter-company services rendered between the Company and BFL	100
Sourcing of products by the Company and BFL	25
Total	7,675

The aforesaid transactions were approved by the shareholders (excluding promoter and promoter group and all related party) vide the resolution passed on 21 December 2024 through postal ballot. The resolution was approved with overwhelming majority (88.84%). The transactions are permitted to be carried out from the date of approval by postal ballot i.e., 21 December 2024 until the ensuing Annual General Meeting.

Similarly, the approval of the members is being sought at the ensuing Annual General Meeting for entering transactions with BFL exceeding the prescribed threshold. Further details are provided in the Notice of the AGM.

Material Changes and Commitments

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

Conservation of Energy

Though the operations of the Company are not energy intensive, the Company implements various energy conservation measures across all its functions, verticals and value chain partners. Key initiatives of the Company include the following:

- Switching from conventional lighting system to LED lights at most of the branches in metro areas;
- Selecting and designing offices to facilitate maximum natural light utilization;
- Use of cloud based virtual servers to increase energy efficiency and data security; and

- The company has adopted strategy to minimize usage of non-production workload during night hours which helps in cost optimization and reduce greenhouse effect.

IT infrastructure

The company has adopted strategy to minimize usage of its non-production IT infrastructure workload during night hours which helps in cost optimization and reduce greenhouse effect.

Technology Absorption

The Company adopts technologies for acquisition and servicing. The Company has hosted its entire enterprise IT ecosystem on cloud leading to flexible architecture for its business applications, data warehousing and analytics. It enables performance, scalability, cost effective and secure architecture. The Company has improvised its stack of web-based applications compatible across computing devices enabling mobility along with API gateways for seamless integration.

The Company has adopted tenets of Artificial Intelligence (AI) to improve customer service. BHFL continues to strengthen its Information Security posture through increased monitoring over attack surface, fine tuning processes and by proactively mitigating identified gaps. Technology solutions and processes such as VAPT, Cloud Architecture review, Managed Endpoint Detection & Remediation (MDR) have been implemented to enhance security posture along with various measures taken for customer data protection. The Company has also improvised productivity in areas of business operations and customer service by leveraging robotic process automation (RPA) and AI coupled with machine learning (ML).

Foreign Exchange Earnings and Outgo

During FY2025, the Company did not have any foreign exchange earnings in terms of actual inflow and the foreign exchange outgo in terms of actual outflow amounted to ₹ 3.06 crore.

Corporate Social Responsibility (CSR)

The CSR Committee comprises of three directors viz. Anami N Roy (Chairman) (DIN: 01361110), Sanjiv Bajaj (DIN: 00014615) and Rajeev Jain (DIN: 01550158).

The CSR interventions for the year focused on Youth skilling, Child education, Child protection, Child health and Inclusion of Persons with Disabilities. The salient features of the CSR Policy and impact assessment report forms part of the Annual Report on CSR activities. The CSR policy has been hosted on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/documents/37350/5324874/CSR+Policy.pdf>

‘Bajaj Beyond’ is the Group’s identity for all its Corporate Social Responsibility and charitable programmes with special focus on youth skilling. The initiatives aim to 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. Pursuant to Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR activities is annexed to this Report.

The CSR obligation of the Company for FY2025 is ₹ 30.29 crore. As on 31 March 2025, the Company has fully spent the CSR obligation for FY2025.

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

Annual Return

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/MCA, is hosted on the Company’s website and can be accessed at <https://www.bajajhousingfinance.in/annual-reports>.

Risk Management

The Board of Directors have adopted a Risk Management Policy for the Company which provides for identification of key events/risks impacting the business objectives of the Company and attempts to develop risk policies and strategies to ensure timely evaluation, reporting and monitoring of key business risks.

This framework, *inter alia*, provides the set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organization. It covers principles of risk management, risk governance with roles and

responsibilities, business control measures, principle risks and business continuity plan. The Management identifies and controls risks through a defined framework in terms of the aforesaid policy.

The Board is of the opinion that there are no elements of risk that may threaten the existence of the Company.

The RBI, vide its circular dated 22 October 2020, reviewed the regulatory framework for HFCs wherein, all non-deposit taking HFCs with asset size of more than ₹ 100 crore shall pursue liquidity risk management which, *inter alia*, should cover adherence to gap limits. The Board has in place a Liquidity Risk Management framework encompassing, *inter alia*, strategies and practices, internal controls, maturity profiling, liquidity coverage ratios and high-quality liquid assets.

Pursuant to the RBI Scale based framework, NBFCs are required to have an Internal Capital Adequacy Assessment Process ('ICAAP') in place. The objective of ICAAP is to ensure availability of adequate capital to support all risks in business as also to encourage NBFCs to develop and use better internal risk management techniques for monitoring and managing their risks. Accordingly, the Company has framed an ICAAP policy. This policy is developed considering the requirements of the SBR and is based on the Pillar -2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision ('BCBS').

The objective of the policy is to provide an ongoing assessment of the Company's entire spectrum of risks and the methodology to assess current and future capital, reckoning other mitigating factors and to assist and apprise the Board on these aspects and on Company's ICAAP and Company's approach to capital management.

In terms of the RBI Regulations, the Committee also has an independent meeting with the Chief Risk Officer without the presence of management.

More detailed discussion on the Company's risk management and portfolio quality is covered in the Management Discussion and Analysis Report.

Fraud monitoring and reporting

The Reserve Bank of India vide Master Directions on Fraud Risk Management in Non-Banking Financial Companies ('NBFCs') (including Housing Finance Companies) dated 15 July 2024 came up with directions on Fraud risk management. Pursuant to the RBI Master Direction, the Company has adopted comprehensive Fraud Risk Management Policy covering aspects viz, measure towards fraud prevention, fraud detection, investigation, staff accountability, monitoring of frauds, recovery of frauds, reporting of frauds and roles & responsibilities of Board/Board Committees and Senior Management.

Further, a Special Committee of the Board is formed for Monitoring and Follow-up of cases of Frauds ('SCBMF committee') to oversee the effectiveness of the fraud risk management. The SCBMF committee reviews and monitor cases of frauds, including root cause analysis, and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds.

The Company also has in place a senior management Early Warning Signal committee for review and implementation of a robust framework for Early Warning Signal. During the year under review, no instances of frauds were detected by the Company.

The Company has a comprehensive Risk Containment Unit infrastructure. The risk containment and fraud control unit, through prevention and deterrence actions, is responsible for preventing frauds perpetrated by customers, sourcing channels and employees either alone or in connivance with others. It ensures that most fraud checks are performed well before any disbursement of loan through fraud controls/checks built in its loan origination system.

Significant and Material Orders Passed by the Regulators and Courts

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

Internal Audit

Internal Audit function provides an independent view to the Audit Committee on the quality and efficacy of the internal controls, governance systems and processes.

In line with the RBI's guidelines on Risk Based Internal Audit ('RBIA'), the Company has adopted a Risk Based Internal Audit policy.

The Internal Audit provides assurance to the Audit Committee and Board of Directors on quality and effectiveness of the internal controls, and governance related systems and processes. The concurrent review process has been strengthened for all products covering underwriting, collateral and operations to mitigate transaction risk.

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 along with the corrective and preventive actions thereon. Significant audit observations, corrective and preventive actions thereon are presented to the Audit Committee on a quarterly basis.

The Audit Committee independently meets the internal auditor without the presence of management. As per the RBI guidelines, quality assurance and improvement program ('QAIP') is required to be carried out at least once a year covering all aspects of internal audit function. Accordingly, QAIP was carried out by an external agency for FY2024 to assess functioning of the internal audit function, adherence to the internal audit policy, objectives and expected outcomes. Similarly, QAIP for FY2025 will be carried out by an external agency.

Internal Financial Controls

The Company has in place internal financial control considering the essential components of various critical processes, physical and operational, which also includes its design, implementation, and maintenance along with periodical internal review of operational effectiveness and sustenance. The Company has in place adequate financial controls commensurate with its size, scale and complexity of operations. These have been designed with the aim to provide reasonable assurance regarding recording and providing financial information, ensuring integrity in conducting business, accuracy and completeness in maintaining accounting records, prevention and detection of frauds and errors.

The Company has in place accounting software for maintaining its books of account which has the feature of recording audit trail and the same has operated throughout the year for recoding of all relevant transactions.

The Audit Committee and Board reviewed the internal financial control and are of the opinion that internal financial controls with reference to the financial statements are adequate and operating effectively.

Information System Audit

In terms of the RBI Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7 November 2023, the Company is required to put in place IS Audit Policy which shall *inter alia* contain a clear description of its mandate, purpose, authority, audit universe, periodicity of audit etc. Accordingly, the Company has adopted a Board approved IS Audit Policy at its meeting held on 15 March 2024.

During the year under review, an IT system audit was conducted by a CERT-in empaneled audit firm. The areas audited were IT General Controls, Cyber Security Controls and Information Security Controls as per the regulatory framework applicable to the Company.

Necessary continuous improvement actions have been taken in line with the audit observations.

ISO transition and re-certification audit with latest ISO standard was also conducted. The Company has successfully re-certified with latest ISO standard and received ISO 27001-2022 certificate.

Information Technology Governance, Business Continuity and Cyber Security

The RBI has issued Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7 November 2023 effective 1 April 2024. In line with said Directions, the terms of reference of the IT Strategy Committee were revised during the year. The same, *inter alia*, includes the following:

- Review at least on annual basis, the adequacy and effectiveness of the Business Continuity Planning and Disaster Recovery Management;
- Review the assessment of IT capacity requirements and measures taken to address the issues;
- Approve documented standards and procedures for access to information assets; and
- Decide constitution of Information Security Committee ('ISC'), with Chief Information Security Officer ('CISO') and other representatives from business and IT functions, etc.

Pursuant to the said Directions, the Company has appointed a CISO who shall be responsible for driving cyber security strategy and ensuring compliance to the extant regulatory/ statutory instructions on information/ cyber security and other roles and responsibilities as stipulated therein.

In accordance with IT Governance framework, the Company has put in place policies which, *inter alia*, includes Business Continuity Policy, Information Security Policy, Information Technology Policy, Cyber Security Policy, IT Outsourcing Policy, Cyber Crisis Management Plan, Information Security Incident Management Policy, Access Management Policy, Change Management Policy.

The IT Strategy Committee has also constituted the IT Steering Committee and Information Security Committee consisting of senior executives of the Company in accordance with the RBI Directions. The role of IT Steering Committee is to assist the IT Strategy Committee in strategic IT planning, oversight of IT performance, and aligning IT activities with business needs, ensuring implementation of a robust IT architecture meeting statutory and regulatory compliance. The Information Security Committee is constituted for managing cyber/ information security under the oversight of IT Strategy Committee comprising of CISO and other representatives from business(es), finance and IT functions headed by personnel from risk management vertical.

To enable user to work from home in secure manner, the Company implemented VPN functionality. The Company also enabled remote access for identified partners to enable full resources for user support, cloud support, application maintenance and testing using privilege access management technology connecting to the Company servers. Cloud infrastructure has been built with DR capabilities and can run applications during any disaster situation. DR drill is being conducted twice a year to ensure DR readiness. Regular application backup restoration exercise is being carried out. To improve resiliency, laptop backup solution is implemented for senior management.

The Company's cloud first IT strategy helps to manage the demand with elastic scalability and rapid provisioning while reducing total cost of ownership and turnaround time.

The Company's Cyber security strategy consists of a plan of actions designed to improve the security and resilience of cloud infrastructures and services. It is a high-level top-down approach to cyber security that establishes a range of organization objectives and priorities that should be achieved in a specific timeframe. As a critical component in cyber security, the Company is working on improving awareness among employees using a learning platform and simulation exercises.

The Company has a documented Business Continuity Management Policy which has been designed to ensure continuity of critical processes during any disruption. A robust Disaster Recovery framework has been put in place to manage business and technology interruption risk, minimize interruptions in operations and service to customers.

During the year under review, the Directors were briefed and appraised on cyber security. These, *inter alia*, involved understanding of cyber security incidents and industrialization of cybercrime operations, assessing new developments and issues relating to cyber and information security, understanding of cyber security trends including recent cyber frauds and attacks, Board's responsibility in the events of change management, Board oversight responsibility for cyber security, etc. Further, on an annual basis, the senior management of the Company have undergone IT security trainings.

Whistle-Blower Policy/ Vigil Mechanism

The Company has a whistle-blower policy encompassing vigil mechanism pursuant to the requirements of the Section 177(9) of the Act and Regulation 22 of the SEBI Listing Regulations and Regulation 9A of SEBI (Prohibition of Insider Trading) Regulations, 2015.

The whistle-blower framework has been introduced with an aim to provide employees, directors and value chain partners with a safe and confidential channel to share their inputs about such aspects which are adversely impacting operations of the Company. The policy/vigil mechanism enables directors, employees and value chain partners 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.

Concerns may be reported anonymously either through e-mail or through a 'Confidential Feedback Mechanism', which is reviewed by a Whistle-Blower Committee comprising senior management from within and outside the organization. The Audit Committee reviews the functioning of the vigil mechanism/whistleblower policy once a year. It provides safeguards against victimization of directors/employees/ value chain partners who avail the mechanism and allows for direct access to the Chairperson of the Audit Committee by writing to bhflacchairperson@bajajhousing.co.in.

Policy has been hosted on the Company's website and can be accessed at <https://www.bajajhousingfinance.in/documents/37350/6972394/Vigil+Mechanism+Whistle+Blower+Policy.pdf>.

Employees of the Company are required to undergo mandatory online learning module on code of conduct which includes whistle-blower policy and affirm that they have understood and are aware of vital aspects of the policy.

During FY2025, no person was denied access to the Audit Committee or its chairperson under this policy and 9 complaints were received under the vigil mechanism of the Company which have been investigated and addressed as per the policy of the Company.

Business Responsibility and Sustainability Report (BRSR)

Pursuant to the SEBI circular dated 10 May 2021 and amendment in SEBI Listing Regulations, top 1000 listed entities based on market capitalisation are required to submit Business Responsibility and Sustainability report.

SEBI, vide its circular dated 12 July 2023 introduced BRSR Core. BRSR Core is a sub-set of the BRSR, consisting of a set of Key Performance Indicators ('KPIs') under 9 ESG attributes. Further, top 150 listed entities are required to mandatorily undertake reasonable assurance of the BRSR Core.

The Company, from FY2024, has been voluntarily taking limited assurance on BRSR and GHG data. In compliance with the SEBI requirements, the Company has appointed SGS India Pvt. Ltd. ('SGS') as an Assurance provider for carrying out the Reasonable Assurance for BRSR Core (including GHG data) and Limited Assurance on rest of the BRSR, for FY2025.

The Company has adopted a Policy for Responsible and Sustainable Business Conduct. The Company has Board approved ESG committee of the Management, led by Managing Director, comprising key stakeholders including the Chief Financial Officer, and Head of Compliance, Operations, Information Technology, Risk, Human Resource, Company Secretarial for implementing and monitoring ESG-related aspects.

The BRSR in the updated format (including new KPIs of BRSR Core) prescribed by SEBI is annexed to the Annual Report. A detailed ESG Report describing various initiatives, actions, and process of the Company towards the ESG endeavor can be accessed at <https://www.bajajhousingfinance.in/annual-reports>.

Changes to the Constitutional Documents

a. Memorandum of Association (MOA)

During the FY2025, the Members vide ordinary resolution dated 24 April 2024 had approved an increase in authorised share capital of the Company from ₹ 8,000 crore to ₹ 9,000 crore. Consequent to the increase in authorised share capital, the clause V of MOA stands altered to reflect the change in authorised share capital.

b. Articles of Association (AOA)

The Members vide special resolution dated 6 June 2024, amended clauses pertaining to Further Issue of Capital, Payment in anticipation of call may carry interest and Unclaimed & unpaid dividend of AOA to conform to the requirements prescribed by relevant stock exchanges prior to filing of the draft red herring prospectus with the Securities and Exchange Board of India and the relevant stock exchanges.

Copy of the aforesaid documents are available on the Company's website at <https://www.bajajhousingfinance.in/offer-documents>.

Corporate Governance

In terms of 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 Report and General Shareholder Information.

The Managing Director and the Chief Financial Officer have certified to the Board in relation to the financial statements and other matters as specified in the SEBI Listing Regulations.

A certificate from Statutory Auditors of the Company regarding compliance of conditions of corporate governance is annexed to this Report and it does not contain any qualification, reservation or adverse remarks.

Secretarial Standards

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') read with the MCA Circulars.

Auditors and Auditors' Report

Statutory auditors

Khandelwal Jain & Co. (Firm Registration No. 105049W) and G D Apte & Co., (Firm Registration No. 100515W) upon the completion of the term of consecutive period of three years, in line with the RBI guidelines ceased to be joint statutory auditors.

Accordingly, the Board of Directors, based on the recommendation of the Audit Committee at its meeting held on 24 April 2024, approved appointment of Mukund M. Chitale & Co. (Firm Registration No. 106655W) and Singhi & Co. (Firm Registration No. 302049E) as joint statutory auditors of the Company for a consecutive period of three years.

At the 16th AGM, shareholders of the Company approved their appointment as Joint Statutory Auditors for term of three consecutive years from the conclusion of the 16th AGM till the conclusion of the 19th AGM to audit the accounts of the Company i.e., for the financial year ending 31 March 2025, 31 March 2026 and 31 March 2027.

The Audit Report given by Mukund M. Chitale & Co. and Singhi & Co., for FY2025 is unmodified, i.e., it does not contain any qualification, reservation or adverse remark or disclaimer.

Secretarial audit

Pursuant to the provisions of Section 204 of the Act, the Board has appointed Shyamprasad D Limaye, practicing 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 for the year ended 31 March 2025 is annexed to this Report.

Pursuant to Regulation 24A (2) of SEBI Listing Regulations, a report on secretarial compliance for FY2025 has been issued by Shyamprasad D Limaye and the same has been submitted with the stock exchange within the prescribed timelines. The said report is available on the website of the Company.

There are no observations, reservations, qualifications or adverse remark in any of the aforesaid report. The auditors, i.e., Statutory Auditors and Secretarial Auditors, have not reported any matter under Section 143 (12) of the Act, and therefore, no detail is required to be disclosed under Section 134(3)(ca) of the Act.

Appointment of Secretarial Auditor

Pursuant to the amendment of Regulation 24A of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with effect from 13 December 2024, a listed entity shall appoint or reappoint:

- i. an individual as Secretarial Auditor for not more than one term of five consecutive years; or
- ii. a Secretarial Audit firm as Secretarial Auditor for not more than two terms of five consecutive years, with the approval of its shareholders in its Annual General Meeting.

Accordingly, Board of Directors have approved and recommended the appointment of DVD & Associates, Peer Reviewed Firm of Company Secretaries in Practice (Firm Registration Number: S2016MH35900D) as a Secretarial Auditor of the Company for a term of 5 (Five) consecutive years to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report for the period commencing from FY2025-26 till FY2029-2030, for approval of the Members at ensuing AGM of the Company.

Brief resume and other details are separately disclosed in the Notice of the AGM. DVD & Associates have given their consent to act as a Secretarial Auditor of the Company and confirmed that their aforesaid appointment, if made, would be within the prescribed limits under the Act & Rules made thereunder and SEBI Listing Regulations. They have also confirmed that firm is not disqualified to be appointed as a Secretarial Auditor in terms of provisions of the Act & Rules made thereunder and SEBI Listing Regulations.

Customer Engagement

Customer engagement and experience are core pillars of our organization, and we are dedicated to upholding customer fairness in both letter and spirit across all our actions. Proactive engagement empowers institutions to gain meaningful insights, manage risks effectively, ensure compliance, and seamlessly adopt new technologies. In today's dynamic environment, prioritizing customer experience is vital for staying competitive, fostering strong relationships, and driving sustainable success.

To strengthen the customer engagement and monitoring process, the Board at its meeting held on 19 March 2025, has constituted a Customer Service Committee ('CSC') headed by an Independent Director.

The composition as on 31 March 2025 is as follows:

Sr. No.	Name of director	Category
1.	Jasmine Chaney	Chairperson, Non-Executive, Independent
2.	S M N Swamy	Non-Executive, Independent
3.	Rajeev Jain	Non-Executive, Non-Independent
4.	Atul Jain	Executive, Non-Independent

With members having diverse expertise, the Committee will guide the Management to identify improvement areas, evaluate customer feedback, and implement policies that address concerns in a timely manner. By prioritizing customer-centric practices and fostering a culture of responsiveness and empathy, the Committee will ensure that the organisation continuously evolves to meet the dynamic business needs and expectations of customers, ultimately fostering loyalty and trust.

The Company has taken a proactive initiative to empower customers with enhanced self-service options. Through customer portal and mobile app, customers can effortlessly raise service requests, access flexible payment options—including advance EMI, part pre-payment, increase EMI, reduce tenure, missed EMI payments via ECMS, UPI, and Bill Desk—and download essential loan-related documents. Additionally, a self-service query form enables customers to troubleshoot their concerns independently.

Further, the Company has established a robust Grievance Redressal Mechanism with defined turnaround times and a structured escalation hierarchy for unresolved or delayed complaints.

Compliance with Code of Conduct

All Board members and Senior Management personnel have affirmed compliance with the Company's Code of Conduct for FY2025. A declaration to this effect signed by the Managing Director is included in this Annual Report.

Other Statutory Disclosures

- There is no change in the nature of business of the Company during FY2025.
- The provisions of Section 148 of the Act relating to cost accounts and cost audit are not applicable to the Company.
- During FY2025, no amount has remained unclaimed pursuant to debentures redeemed during the year.
- Details required under the provisions of 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 director to median remuneration of employees, percentage increase in the median remuneration, are annexed to this Report.
- 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, as amended, containing details prescribed under rule 5(3) of the said rules, which form part of the Directors' Report, will be made available to any member on request, as per provisions of Section 136(1) of the Act.
- Disclosure under Section 197(14) of the Act is not applicable to the Company as the Managing Director is not on the Board of the holding company.
- The voting rights are exercised directly by the employees in respect of shares to be 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 being a non-deposit accepting HFC, the provisions relating to Chapter V of the Act, i.e., acceptance of deposit, are not applicable. The Board has also passed a resolution confirming non-acceptance of public deposits.
- The Company has no transaction that qualify under the contracts and arrangements with related parties referred in Section 188(1) of the Act.
- For the details about the policy developed and implemented by the Company on CSR initiatives taken during the year, refer the Annual Report on CSR activities annexed to this Report.

- The Company has a policy on prevention of sexual harassment at the workplace. 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. The number of complaints received, disposed off and pending during FY2025 is given in the annexed 'Corporate Governance Report'.
- The Company has not defaulted in repayment of loans from any banks and financial institutions. There were no delays or defaults in payment of interest/principle of any of its debt securities.
- 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.
- SEBI vide its circular SEBI/HO/DDHS/DDHS-RAC-1/P/CIR/2023/176 dated 8 November 2023 ('the Circular'), has prescribed the procedural framework for dealing with unclaimed interest and redemption amounts lying with entities having listed non-convertible securities and manner of claiming such amounts by investors. The circular requires such companies to formulate a policy specifying the process to be followed by investors for claiming their unclaimed amounts. Accordingly, a policy titled 'Policy for claiming unclaimed amounts with respect to Non-Convertible Debentures from Escrow Account' has been framed by the Company. The policy can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/BHFL_Policy+for+unclaimed+amounts-NCDs+%281%29.pdf. The Company Secretary has been designated as the Nodal Officer for the purposes of this circular. As on 31 March 2025, there is no amount remaining unclaimed in respect of non-convertible debentures.
- Neither any application was made, nor any proceeding is pending under the Insolvency and Bankruptcy Code, 2016 against the Company.
- During FY2025, there was no instance of one-time settlement with Banks or Financial Institutions.
- Disclosures pursuant to the RBI Master Directions, unless provided in the Directors' Report, form part of the notes to the standalone financial statements and Report on Corporate Governance.
- The Company has complied with relevant Sections of the Act and applicable rules thereunder while issuing equity shares under Rights issue and IPO.
- The Company has in place various Board approved policies pursuant to Companies Act, 2013, SEBI Regulations, RBI/NHB Directions and other 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-link for policies hosted on website.

Acknowledgement

The Board places its gratitude and appreciation for the support and co-operation from the Reserve Bank of India, the National Housing Bank, the Securities and Exchange Board of India, BSE Limited & National Stock Exchange of India Limited, the IRDAI and other regulators, banks, financial institutions and trustees for debenture holders.

The Board also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company.

On behalf of the Board of directors

Sd/-

Sanjiv Bajaj

Chairman

DIN: 00014615

Date: 23 April 2025

Remuneration details under Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended for the financial year ended 31 March 2025

Name of director/Key Managerial Personnel	Ratio of remuneration of director to median remuneration of employees	% increase in remuneration in FY2025
A. Whole-Time Directors		
Atul Jain**	147	26
B. Non-Executive Directors		
Sanjiv Bajaj- Chairman	3.41	46.15
Rajeev Jain	5.91	57.14
Anami N Roy	4.84	50
Dr. Arindam Bhattacharya	5.56	55
Jasmine Arish Chaney	4.66	52.94
S M N Swamy	1.97	_*
C. Key Managerial Personnel		
Gaurav Kalani- Chief Financial Officer**	-	16
Atul Patni- Company Secretary**	-	15
D. % Increase in Median Remuneration of employees		42
E. Number of permanent employees on the rolls of the Company as on 31 March 2025		1977

*Not comparable, since S M N Swamy was appointed as an Independent Director w.e.f. 01 August 2024.

**Remuneration excluding perquisite value as per Income Tax Act, 1961.

- The variation reflected in column '% increase in remuneration in FY2025' for Non-Executive Directors on account of number of Board/ Committee meetings, attendance of directors thereat and change in Committee positions.
- Remuneration to Non-Executive Directors does not include sitting fees paid to them for attending Board and/ or Committee meetings.

Notes on Disclosures under Rule 5

- Average percentage increase in salary of employees other than Managing Director is 8.02%.
- Percentage increase in remuneration of managerial personnel has been determined based on independent benchmarking, performance of the Company and trends of remuneration in the industry.
- The remuneration paid as stated above was as per the Remuneration Policy of the Company.

Annual Report on CSR activities for the financial year ended 31 March 2025

1. Introduction

The vision and philosophy of late Shri Jamnalal Bajaj, the founder of Bajaj Group, guide the Corporate Social Responsibility ('CSR') activities of the Group. He embodied the concept of trusteeship in business and common good, and laid the foundation for ethical, value-based and transparent functioning.

Bajaj Group believes that true and full measure of growth, success and progress lies beyond balance sheets or conventional economic indices. It is best reflected in the difference that business and industry make to the lives of people.

Through its social investments, Bajaj Group addresses the needs of communities by taking sustainable initiatives in the areas of skilling, health, education, inclusion, infrastructure and community development, and response to natural calamities. For society, however, Bajaj is more than a corporate identity. It is a catalyst for social empowerment and the reason behind the smiles that light up a million faces.

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

Guiding principles:

The Bajaj Group believes that social investments should:

- **Benefit Generations:** The Company believes in 'investment in resource creation' for use over generations. The Company tries to identify sustainable projects which will benefit the society over long periods.
- **Educate for Self-Reliance and Growth:** To usher in a growth-oriented society and thereby a very strong and prosperous nation, by educating each and every Indian.
- **Promote Health:** The Company believes good health is a pre-requisite for both education and productivity.
- **Encourage for Self Help:** To guide and do hand holding for self-help, individually and collectively to create excellence for self and for the team.
- **Target those who need it most:** Care for the sections of the society, which are socially at the lowest rung irrespective of their religion or caste or language or colour.

2. Brief outline of Company's CSR Policy

Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been amended substantially with effect from 22 January 2021. Accordingly, the CSR Policy which was framed by the Company on 16 July 2018 has got amended on 26 2021. It was subsequently reviewed and amended by Board of Directors at its meeting held on the 6 June 2024.

The Policy, *inter alia*, covers the following:

- Philosophy, Approach & Direction;
- Guiding Principles for selection, implementation and monitoring of activities;
- Guiding Principles for formulation of Annual Action Plan;

3. Composition of CSR Committee:

Sr. No.	Name of Director	Designation	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Anami N Roy	Chairman, Non-Executive and Independent	2	2
2.	Sanjiv Bajaj	Member, Non-Executive and Non-Independent	2	2
3.	Rajeev Jain	Member, Non-Executive and Non-Independent	2	2

4. Web-link where the following are disclosed on the website of the Company:

Composition of CSR Committee	https://www.bajajhousingfinance.in/composition-board-of-committees
CSR Policy	https://www.bajajhousingfinance.in/documents/37350/5324874/CSR+Policy.pdf
CSR projects approved by the Board	https://www.bajajhousingfinance.in/documents/37350/53075/BHFL+-+FY25+Annual+Action+Plan+Projects.pdf

5. 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:

Impact assessment has been carried out for 5 projects. The executive summaries are annexed to this report. The full report is hosted on Company's website and can be accessed at <https://www.bajajhousingfinance.in/investor-relations-csr-impact-assessment-report>

6. (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 1,571.22 crore
- (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 31.42 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: ₹ 1.13 crore
- (e) Total CSR obligation for the financial year [(5b)+(5c)-(5d)]: ₹ 30.29 crore
7. (a.i) Details of CSR amount spent against ongoing projects for the financial year: ₹ 31.28 crore
- (a.ii) Details of CSR amount spent against other than ongoing projects for the financial year: ₹ 0.27 crore
- (b) Amount spent in Administrative Overheads: ₹ 0.04 crore
- (c) Amount spent on Impact Assessment, if applicable: ₹ 0.17 crore
- (d) Total amount spent for the Financial Year [(6a)+(6b)+(6c)]: ₹ 31.76 crore
- (e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the financial year (₹ In crore)	Amount Unspent (₹ In crore)					
	Total Amount transferred to Unspent CSR Account as per section 135(6)			Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer	
31.76	Not applicable, since there is no unspent amount					

(f) Excess amount for set-off, if any:

Sl. No. Particulars	Amount (₹ In crore)
(i) Two percent of average net profit of the company as per sub-section (5) of section 135	31.42*
(ii) Total amount spent for the Financial Year	31.76
(iii) Excess amount spent for the Financial Year [(ii) - (i)]	1.47
(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)]	1.47

*₹ 1.13 crore towards excess CSR spend of FY2024 was set off against CSR obligation for FY2025.

8. Details of Unspent Corporate Social Responsibility amount for the preceding three Financial Years:

Not Applicable as the Company does not have any unspent CSR amount for the preceding three financial years.

9. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No

10. 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

Sd/-

Atul Jain

Managing Director

DIN: 09561712

Pune, 23 April 2025

Sd/-

Anami N Roy

Chairman, CSR Committee

DIN: 01361110

ANNEXURE TO ANNUAL REPORT ON CSR ACTIVITIES

Sr. No.	Implementing Agency ('NGO')	Project Name	Duration of the project	Project Amount (₹ in Lakh)	Impact Assessment Agency	Impact	Weblinks where complete report is available
1.	Ummeed Child Development Center	Clinical sessions for children with developmental disabilities from low/mid socio-economic backgrounds	1 st January 2018- 31 st March 2021	120	Think Through Consulting (TTC)	The program provided clinical session services to 2,166 children dealing with developmental disabilities. The respondents noted improvements in their child's social and communication skills and agreed that the clinical sessions positively influenced child's physical and cognitive development. The program offered significant concessions ranging between 50% to 98% to the families for clinical sessions. 87% of the respondents rated the quality of services as excellent, emphasizing positive developmental progress in their children.	Impact Assessment Report
2	Ummeed Child Development Center	Capacity building of organizations on addressing developmental disabilities	1 st April 2019- 31 st July 2021	100	Think Through Consulting (TTC)	The project strengthened capacity of 5,356 caregivers and professionals, addressing the critical gap in developmental disability support through structured training programs. 97% beneficiaries reported that training programs enhanced their knowledge of child development and disabilities and changed their approach to handling children with developmental disabilities. Training programs were free for most participants or offered at a minimal cost, reducing financial barriers for caregivers from low-income background.	Impact Assessment Report

Sr. No.	Implementing Agency ('NGO')	Project Name	Duration of the project	Project Amount (₹ in Lakh)	Impact Assessment Agency	Impact	Weblinks where complete report is available
3	Muktangan Education Trust	Continuation after Y3 – Global Mills passage school	1 st June 2020 – 31 st August 2021	200	CSRBOX	Muktangan provided free and high-quality education to approx. 410 children using active constructivist methodologies. However, the program was affected during Covid-19. 40% of the students were satisfied with their online learning experience while, 54% of the students conveyed that their overall performance had dropped to worse, highlighting the challenges faced with online learning.	IMPACT ASSESSMENT REPORT
4	Sri Sathya Sai Health & Education Trust	Supporting Child Heart Surgeries	18 th January 2023 – 30 th April 2023	100	Think Through Consulting (TTC)	The project supported 77 beneficiaries by providing surgery support for end-to-end congenital heart disease. The surgeries resulted in profound and long-lasting improvements in the lives of the beneficiaries, not only addressing physical health concerns but also enhancing psychosocial well-being. All surveyed beneficiary families reported that their children had fully recovered from the surgery and expressed high satisfaction with the services provided by the hospital and its staff.	IMPACT ASSESSMENT REPORT
5	Ekam Foundation Mumbai	Surgery Support Program	1 st June 2022 – 31 st August 2023	100	CSRBOX	300 children were provided surgical and medical support through the program. The program improved the physical and psychological burden of children, with 52% of children consuming 4 meals or more after the surgery, compared to 7% earlier while 80% of children played for 4 or more hours after the surgery. All the surgeries performed were successful as result of the intervention. Ekam provided partial financial support of approximately INR 40,000 to ease the burden. 87% of children did not experience health complications post-surgery.	IMPACT ASSESSMENT REPORT

Independent Auditor's Certificate on Compliance with the Corporate Governance requirements under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members of
Bajaj Housing Finance Limited

1. This certificate is issued in accordance with the terms of our engagement letter dated August 7, 2024.
2. We, Singhi & Co., Chartered Accountants and Mukund M. Chitale & Co., the joint Statutory Auditors of Bajaj Housing Finance Limited (the "Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31 March 2025, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (the "Listing Regulations").

Management's Responsibility

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with the conditions of the 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 purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. 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") and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ("the Guidance Note") issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. Based on our examination of the relevant records and according to the information, explanations and the representations provided to us by the Management, the Company has complied in all material aspects, with the conditions of Corporate Governance as stipulated in Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the Listing Regulations during the year ended 31 March 2025.
8. We 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.

Restriction on use

9. This Certificate has been issued solely for the purpose of complying with the aforesaid regulations. Our Certificate should not be used by any other person or for any other purpose. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability are in no way changed by, any other role we may have as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Company. We shall not be liable to the Company or to any other concerned for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose for which or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For Singhi & Co.

Chartered Accountants

Firm Registration Number:302049E

Amit Hundia

Partner

Membership Number: 120761

UDIN: 25120761BM0THB5659

Place: Pune

Date: 23 April 2025

For Mukund M. Chitale & Co.

Chartered Accountants

Firm Registration Number: 106655W

Saurabh Chitale

Partner

Membership Number: 111383

UDIN: 25111383BMKWPS9981

Place: Pune

Date: 23 April 2025

REPORT ON CORPORATE GOVERNANCE

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

This report details the corporate governance policies and practices of Bajaj Housing Finance Limited (the 'Company', 'Bajaj Housing' or 'BHFL') for FY2025 and outlines compliance with requirements of the Companies Act, 2013, as amended (the 'Act'), the SEBI Listing Regulations, as amended, IRDAI (Registration of Corporate Agents) Regulations, 2015 and the RBI Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021 (the 'RBI 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 reflects principles entrenched in our values & policies and also embedded in our day-to-day business practices, leading to value driven growth. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations. Ethical dealings, transparency, fairness, disclosure and accountability are the main thrust of the working of the Bajaj group. The Company maintains the same tradition and commitment to foster the sustainable growth and resilience in ever-evolving business landscape through constant awareness about its responsibility in relation to stakeholders, customers, government, employees and society at large.

Key elements of Bajaj Housing Finance Corporate Governance

- Compliance with applicable laws.
- Proactive adherence to regulations.
- Number of Board and Committee meetings are more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Board comprises of Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management, as may be required.
- Independent Directors with strong track record and reputation.
- Pre-briefing sessions with the Committee's Chair with statutory auditors, internal auditor, chief risk officer, chief human resources officer, and members of executive management who are the process owners.
- Separate meeting of Independent Directors without presence of Non-Independent Directors or executive management.
- Confidential Board evaluation process where each Board member evaluates the performance of every director, Committees of the Board, the Chairman of the Board and the Board as a whole.
- Presentations by senior management ('SMP') of the Company to familiarize the directors with key elements of each of the businesses.
- Presentations on Regulatory updates to the Risk Management Committee on a quarterly basis to keep them abreast of the evolving laws.
- Complete and detailed information provided to Board members in advance to enable them to evaluate matters carefully for meaningful discussions.
- Independent Assurance on arm's length of Related Party Transaction(s).
- Independent discussions by the Audit Committee with chief internal auditor & chief compliance officer and by the Risk Management Committee with chief risk officer without presence of Managing Director and senior management on a quarterly basis.
- Half-yearly communication from the Chairman to all shareholders/debentures holders of the Company giving an update on the Company's performance.
- Adoption of key governance policies in line with the best practices, which are made available to stakeholders for downloading from the Company's website.

These inter alia include:

- Whistle-Blower Policy/Vigil Mechanism;
- Policy on Materiality of and dealing with related party transactions;
- Dividend Distribution Policy;
- Policy on Prevention of Sexual Harassment at Workplace;
- Employee Charter on Human rights;
- Responsible and Sustainable Business Conduct Policy;
- Code of ethics and personal conduct.

Various policies adopted by the Company can be accessed at <https://www.bajajhousingfinance.in/policies-and-documents>.

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.

In line with the commitment to the principle of integrity and transparency in business operations for 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, setting performance objectives, laying down the code of conduct for all members of the Board and 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 stakeholders, the community and environment.

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

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

Composition of the Board

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

As on 31 March 2025, the Board of the Company consisted of seven directors, of whom one is Executive (Managing Director), four Non-Executive Independent (including one-woman Independent Director) and two Non-Executive Non-Independent. The Board does not have any institutional Nominee Director.

The Company is in compliance with the applicable SEBI Listing Regulations.

Number of Meetings of the Board

The calendar for the Board and Committee meetings are fixed in advance for the entire year and informed to directors well in advance to ensure their participation at all the meeting(s) and with an objective to plan their travel accordingly. Besides the quarterly Board meetings, meetings are also scheduled in the month of March every year to facilitate the Board to devote additional time on annual operating plan and strategic matters.

During FY2025, the Board met ten times viz. on 24 April 2024, 6 June 2024, 7 June 2024, 22 July 2024, 20 August 2024, 30 August 2024, 11 September 2024, 21 October 2024, 27 January 2025 and 19 March 2025. The gap between two consecutive meetings was less than one hundred and twenty days.

Table 1: Summary of composition of Board, number of meetings held, attendance record, total compensation for FY2025, and shareholding in the Company is provided below.

Sr. No.	Name of Director, DIN and capacity/ category	Director Since	No. of Board Meetings Entitled to Attend/ Attended	No. of Directorships (Including the Company)	Remuneration (₹ in crore)			No. of Shares held in the Company	Attendance at the last AGM held in July 2024
					Salary and other compensation	Sitting Fee	Commission		
1	Sanjiv Bajaj (DIN: 00014615) Chairman - Non-Executive Non- Independent Director	22.01.2018	10/10	18	-	0.19	0.38	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)	√
2	Rajeev Jain (DIN: 01550158) Vice Chairman Non-Executive Non- Independent Director	10.11.2014	10/10	2	-	0.33	0.66	100 (Bajaj Finance Limited jointly with Rajeev Jain)	√
3	Anami N Roy (DIN: 01361110) Non-Executive - Independent Director	19.05.2020	10/9	6	-	0.27	0.54	Nil	-***
4	Dr. Arindam Bhattacharya (DIN: 01570746) Non-Executive - Independent Director	01.05.2022	10/10	5	-	0.31	0.62	Nil	-***
5	Jasmine Chaney (DIN: 07082359) Non-Executive - Independent Director	01.04.2023	10/10	6	-	0.26	0.52	Nil	-
6	S M N Swamy* (DIN: 10367727) Non-Executive - Independent Director	01.08.2024	6/6	3		0.11	0.22	Nil	-
7	Atul Jain (DIN: 09561712) Managing Director	01.05.2022	10/10	1	16.37**	-	-	7376 (100 shares by Bajaj Finance Limited jointly with Atul Jain)	√

*Transactions value (TV) are excluding taxes and duties.

* S M N Swamy (DIN: 10367727) was appointed as an Independent Director w.e.f. 01 August 2024.

**excluding perquisite value as per Income Tax Act, 1961 and fair value of ESOPs granted as per black scholes model by the Company for FY2025.

***Rajeev Jain, member of Audit Committee, Nomination & Remuneration Committee and Stakeholders Relationship Committee was authorised to answer queries on behalf of Anami N Roy, Chairman of Audit Committee and Stakeholders Relationship Committee and for Dr. Arindam Bhattacharya, Chairman of Nomination & Remuneration Committee.

There is no relationship between directors *inter se*.

Atul Jain is entitled to employee stock options as per Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 ('BHFL ESOP 2024'). Apart from that none of the Directors hold any convertible instruments.

Attendance record of directors for FY2025:

Name of the directors	No. of Board meetings held during FY2025									
	24 April 2024	06 June 2024	07 June 2024	22 July 2024	20 August 2024	30 August 2024	11 September 2024	21 October 2024	27 January 2025	19 March 2025
Sanjiv Bajaj										
Rajeev Jain										
Dr. Arindam Bhattacharya										
Anami N Roy										
Atul Jain										
Jasmine Chaney										
S M N Swamy	N.A.	N.A.	N.A.	N.A.						

Attended Absent

Changes in Composition of Board During FY2025 and FY2024

Details of change in composition of the Board during the current and previous financial year i.e., from 1 April 2023 to 31 March 2025 is given below:

Sr. No.	Financial Year	Name of Director	Capacity	Nature of Change	Effective Date
1	FY2024-25	S M N Swamy	Independent Director	Appointment*	1 August 2024
2	FY2023-24	Jasmine Chaney	Independent Director	Appointment	1 April 2023

*The Board of Directors at its meeting held on 22 July 2024 appointed S M N Swamy (DIN: 10367727) as an Additional & Independent Director w.e.f. 1 August 2024. Members at their meeting dated 19 August 2024 approved the appointment of S M N Swamy as an Independent Director for a term of 5 consecutive years effective 1 August 2024.

Resignation of Independent Director during FY2025

No resignation was tendered by Independent Directors during the FY2025.

Board Diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board has devised a policy on Board Diversity. The Board comprises adequate number of members with diverse experience and skills, to serve the governance and strategic needs of the Company. The present composition broadly meets this objective.

The directors are persons of eminence in areas such as financial services, technology, banking, business transformation and strategy, audit and risk management, finance, law, administration, research, 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, color, religion, gender or nationality.

Core skills/expertise/competencies

A brief profile of directors is available on the website of the Company at <https://www.bajajhousingfinance.in/directors-board>.

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

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

Sr. No.	Core Skills/ Expertise/ Competencies	Sanjiv Bajaj	Rajeev Jain	Atul Jain	Anami N Roy	Dr. Arindam Bhattacharya	Jasmine Chaney	S M N Swamy
1	Management & Governance	✓	✓	✓	✓	✓	✓	✓
2	Financial Services	✓	✓	✓	✓	–	✓	✓
3	Consumer behaviour, Sales, Marketing and Customer Experience	✓	✓	✓	–	–	✓	✓
4	Real Estate	✓	✓	✓	✓	✓	–	–
5	Technology and Innovation	✓	✓	✓	–	✓	–	–
6	Understanding of Accounting and financial statements	✓	✓	✓	✓	✓	✓	✓
7	Risk, Assurance and Internal Controls	✓	✓	✓	✓	✓	✓	✓
8	Regulatory, Public Policy and Economics	✓	✓	✓	✓	✓	✓	✓
9	Human Resource	✓	✓	✓	✓	✓	–	✓
10	Business Transformation & Strategy	✓	✓	✓	–	✓	✓	–

Opinion of the Board

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

Non-Executive Directors' Compensation

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

The members of the Company vide Special Resolution passed at the 14th Annual General Meeting (AGM) of the Company held on 15 June 2022 have approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Sections 197 and 198 of the Act, to be paid and distributed among the directors of the Company or some or any of them (other than the Managing Director/Whole-time Director) 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 five years commencing from 1 July 2022.

During FY2025, the Non-Executive Directors (NEDs) of the Company were entitled to a commission at the rate of ₹ 2,00,000 per meeting of the Board and/or its committees (except Corporate Social Responsibility Committee and Board sub-committee for approval of credit cases) attended by them. The total commission payable to all Non-Executive Directors will be within the maximum permissible ceiling prescribed under the Act.

The commission is paid to the Directors after the adoption of financial statements by the members at the AGM.

The Directors are also entitled to sitting fee at ₹ 1,00,000 per meeting for every meeting of the Board and/or its committees (except Corporate Social Responsibility Committee and Board sub-committee for approval of credit cases) attended by them.

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

Information placed before the Board

The Board is presented with relevant information on various matters related to the working of the Company, especially those that require deliberation at the highest level. Presentations are also made to the Board 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 items.

The Company has also in place Board approved calendar of reviews to determine the agenda items and the periodicity thereof, such that there is adequate focus on matters of strategy, finance, treasury and resource planning, risk, customer service, information technology and cyber security, human resources, compliance and governance matters.

Independent Directors of the Company at its meeting held on 19 March 2025 expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and Board, that is necessary for them to effectively and reasonably perform their duties.

Pursuant to the applicable regulatory requirements, among other things, the Board is periodically briefed on the following:

- Business plans, forecast and strategic initiatives.
- Changes in regulatory landscape and Company's preparedness.
- Capital expenditure and updates.
- Internal financial controls.
- Succession planning and organization structure.
- Risk management system, risk management policy and strategy followed.
- Deliberations of Committees.
- Compliance with corporate governance standards and fair practices code.
- Supervisory concerns raised by regulators.
- Status of compliance with Act, SEBI Regulations, RBI Regulations and shareholder related matters.
- Functioning of customer grievance redressal mechanism.
- Regulatory/supervisory observations, show-cause notices issued by the regulators or any government authority, if any.
- Action taken by the management on the advisories/observations issued by the regulators.
- Review of various policies framed by Company from time to time covering, *inter alia*, Code of Conduct for Directors and Senior Management, Whistle-blower policy, Fair Practices Code, Corporate Governance policy, Calendar of reviews, IT related policies, Risk Management policy, etc.
- Awareness on cyber security.

The Board also periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the Management.

Directors and Officers Liability Insurance (D&O policy)

The Directors of the Company are covered under group D&O policy which is renewed every year. In addition, the Company has also obtained its own D&O policy for the period 1 May 2025 to 30 April 2026. It covers directors (including Independent Directors) of the Company. The Board is of the opinion that quantum and risk presently covered is adequate.

Orderly Succession to Board and Senior Management

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

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

Succession planning is a critical element of the human resources strategy of the Company. In selecting between a 'build versus buy' talent model, the Company places a larger emphasis on grooming internal talent.

Directorships and Memberships of Board Committees

Table 2: Number of directorship/committee positions of directors as on 31 March 2025 (including the Company)

Name of the Director	Directorships			Committee position 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
Sanjiv Bajaj	6	4	8	5	-
Rajeev Jain	2	-	-	2	-
Dr. Arindam Bhattacharya	4	-	1	5	-
Anami N Roy	5	-	1	6	4
Atul Jain	1	-	-	-	-
Jasmine Chaney	2	3	1	2	-
S M N Swamy	1	-	2	2	-

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

None of the directors hold office as a director, including as an alternate director, in more than twenty companies at the same time. None of them has 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. For reckoning limit of directorship; dormant and Section 8 companies 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. The Independent Directors also confirmed that they are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time in line with the RBI Scale Based Regulations.

Pursuant to RBI Scale Based Regulations, Key Managerial Personnel shall not hold any office (including directorships) in any other NBFC-ML or NBFC-UL except for directorship in a subsidiary and NBFC-BL. Atul Jain, Managing Director, (DIN: 09561712) ceased to be a nominee director appointed on behalf of Bajaj Finance Limited w.e.f. 12 September 2024 from the Board of RMBS Development Company Limited.

None of the directors were 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 to their responsibilities as Board/Committee members.

Directorship in Listed Companies (Including Debt Listed Companies)**Table 3: Name of listed entities where directors of the Company held directorships as on 31 March 2025 (including the Company)**

Sr. No.	Name of Director	Name of Listed Entity	Category
1.	Sanjiv Bajaj	Bajaj Auto Limited	Non-Executive, Non-Independent Director
		Bajaj Finance Limited	Chairman, Non-Executive, Non-Independent Director
		Bajaj Holdings and Investment Limited	Managing Director and CEO, Executive
		Bajaj Finserv Limited	Chairman and Managing Director, Executive
		Maharashtra Scooters Limited	Chairman, Non-Executive, Non-Independent Director
		Bajaj Housing Finance Limited	Chairman, Non-Executive, Non-Independent Director
2.	Rajeev Jain	Bajaj Finance Limited	Managing Director, Executive*
		Bajaj Housing Finance Limited	Vice Chairman, Non-Executive - Non-Independent Director
3.	Anami N Roy	Bajaj Auto Limited	Non-Executive, Independent Director
		Bajaj Finserv Limited	
		Bajaj Finance Limited	
		Bajaj Housing Finance Limited	
		Siemens Limited	
4.	Dr. Arindam Bhattacharya	Bajaj Holdings & Investment Limited	Non-Executive, Independent Director
		Info Edge (India) Limited	
		Bajaj Housing Finance Limited	
		Bajaj Finance Limited	
5.	Jasmine Chaney	Bajaj Housing Finance Limited	Non-Executive, Independent Director
		Maharashtra Scooters Limited	
6.	S M N Swamy	Bajaj Housing Finance Limited	Non-Executive, Independent Director
7.	Atul Jain	Bajaj Housing Finance Limited	Managing Director, Executive

*Elevated as an Executive Vice-Chairman with effect from 1 April 2025.

Certificate on qualification of Directors

The Company has received a certificate from Shyamprasad D. Limaye, Practicing 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 such other statutory/regulatory authority for FY2025. The said certificate forms a part of the Annual Report.

Review of legal compliance reports

The Board periodically reviews compliance reports with respect to the various laws applicable to the Company, as prepared and placed before it by the management. The Company Secretary, Chief Compliance Officer and other senior management personnel heading various functions provides detailed 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 by the Board every year. The Code has been placed on the Company's website and can be accessed at <https://www.bajajhousingfinance.in/documents/37350/53075/BHFL+Code+of+Conduct+for+Directors+and+senior+management+19.03.2025+%281%29.pdf>.

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

Maximum Tenure of Independent Directors

Pursuant to Section 149 (10) of the Act, Independent Directors shall hold office for a term of up to five consecutive years on the Board of a Company but shall be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. The tenure of the Independent Directors is in accordance with the provisions of the Act.

Formal Letter of Appointment to Independent Directors

The Company 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://www.bajajhousingfinance.in/documents/37350/53075/BHFL+Draft+Appointment+letter+of+ID.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 operates, its business model, risk metrics, mitigation and management, governing regulations, information technology including cyber security, their roles, rights and responsibilities, updates on the Company, 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.

Details of familiarization programmes are placed on the Company's website and can be accessed at: <https://www.bajajhousingfinance.in/documents/37350/53075/BHFL+Familiarisation+Programme+%281%29.pdf>.

Whistle-Blower Policy/Vigil Mechanism

The details are covered under Directors' Report.

Loans and Advances

There are no loans or advances in nature of loans to firms/companies within the meaning of provisions of Section 184 of the Act in which directors of the Company are interested.

Utilization 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 during FY2025.

Related Party Transactions

All related party transactions entered during FY2025 were on an arm's length basis and in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. The Company had engaged an independent law firm to review the transactions carried out with related parties during FY2025, to affirm that the transactions are at arm's length nature of such transactions. The said firm, based on its review has concluded that the aforementioned transactions are at arm's length.

All related party transactions during FY2025 were entered with the prior approval of the Audit Committee pursuant to provisions of the Act, SEBI Listing Regulations and RBI guidelines. Details of such transactions were placed before the Audit Committee for its noting/review on a quarterly basis.

During FY2025, based on the approval of the Audit Committee, approval of the Members was sought for entering into and / or continuing with arrangements/ contracts/ agreements/transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) with Bajaj Finance Limited ("BFL") being a related party of the Company, the details of which are provided in the Directors' Report.

A statement containing disclosure of transactions with related parties as required under Indian Accounting Standard 24 (IndAS 24) including transaction with promoter/promoter group holding 10% or more shareholding in the Company is set out separately in this Annual Report. Prior omnibus approval of the Audit Committee is obtained for all related party transactions which are foreseen and are of repetitive nature. Pursuant to the said omnibus approval, the details of transactions entered are also reviewed by the Audit Committee on a quarterly basis.

During FY2025, there were no materially significant related party transactions that may have potential conflict with the interest of the Company at large.

Disclosures relating to related party transactions are filed with the stock exchanges on a half-yearly basis.

Details of transactions with related parties during FY2025 are provided in the notes to the financial statements. In terms of Section 134(3)(h) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014, the particulars of contracts or arrangements, if any, with Related Parties are given in the prescribed Form AOC-2 which is annexed to the report.

The Company has a Policy on Materiality of & dealing with Related Party Transactions. The policy is available on the website of the Company at: <https://www.bajajhousingfinance.in/documents/37350/53075/BHFL+Policy+on+Materiality+of+%26+dealing+with+Related+Party+Transactions+-19.03.2025+%281%29.pdf> and reproduced below:

Policy on materiality of and dealing with related party transactions

Background

Pursuant to erstwhile "Housing Finance Companies – Corporate Governance (National Housing Bank) Directions, 2016" ('NHB Directions') the Board of Directors of Bajaj Housing Finance Ltd ('the Company') at its meeting held on 20 March 2017 had approved a Policy on Materiality of & dealing with Related Party Transactions.

Policy:

In supersession of the existing Policy, the Policy on Materiality of & dealing with Related Party Transactions (RPT), which is to be read together with Regulation 23 of the SEBI Listing Regulations 2015 and relevant provisions of the Companies Act, 2013 is accordingly being revised as under:

1. The terms 'Related Party', 'Related Party Transactions', 'Relative', 'Material RPTs', 'Arm's length transaction', 'Omnibus Approval' & such other terms will carry the meaning as stated under the Companies Act, 2013 or SEBI Listing Regulations as amended from time to time.
2. Remuneration and sitting fees paid by the listed entity or its subsidiary to its director, key managerial personnel or senior management, except who is part of promoter or promoter group, shall not require approval of the audit committee provided that the same is not material in terms of the provisions of Regulation 23(1) of SEBI Listing Regulations 2015.
3. Related Party Transactions (RPTs), including subsequent material modifications thereof of the Company covered under the Companies Act, 2013 and Regulation 23 of the SEBI Listing Regulations will be approved by the audit committee of the Board from time to time, subject to such exceptions as are provided therein.

For the above purpose, 'material modifications' as defined by the Audit Committee would refer to the following:

4. Material modification will mean & include any modification to an existing RPT having variance of 20% of the existing limit or ₹ 1 crore whichever is higher, as sanctioned by the Audit Committee/Shareholders, as the case may be.

Prior Consent of the Board and the Shareholders would be taken in respect of all RPTs, including material modifications thereof, except in the following cases:

- i. Where the transactions are below the threshold limits specified in the Companies Act, 2013 and rules made thereunder or the SEBI Listing Regulations, as may be applicable;
 - ii. Where the transactions are entered into by the Company in its ordinary course of business and are on arm's length basis;
 - iii. Payments made with respect to brand usage or royalty where the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, do not exceed five percent of the annual consolidated turnover as per the last audited financial statements of the Company;
 - iv. Where the transactions to be entered into individually or taken together with previous transactions during a financial year do not exceed ₹ 1,000 crore or ten percent of the annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower.
4. Notwithstanding the above, approval of the Board & Shareholders would be necessary, where the RPTs exceed the following threshold limits:

Sr. No.	Description	Threshold limits (₹ in crore)
1.	Sale, purchase or supply of any goods or materials or securities	
2.	Borrowing	
3.	Selling or otherwise disposing off or buying of any property including by way of leave and license arrangement	1,000
4.	Availing or rendering of any services including lending	

The Chairman of Board and Audit Committee are jointly authorised to make changes to this Policy as they may deem fit and expedient, taking into account the law for the time being in force.

The above policy is subject to review from time to time and at least once every year.

Details of Material Subsidiary

The Company does not have any Subsidiary Company. 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://www.bajajhousingfinance.in/documents/37350/53075/BHFL+Policy+for+determining+material+subsidiaries+19.03.2025.pdf>.

Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Regulations, the Company has an Audit Committee, meeting the composition prescribed thereunder with a minimum of two-third of its members (including Chairman) being Independent Directors. 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.

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

The terms of reference of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI 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, review of systems and controls, approval or any subsequent modification of transactions with related parties, review statement of deviations, if any, review of compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended.

The detailed terms of reference of the Committee can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/terms_of_reference_of_board_committees.pdf.

Meetings and Attendance

During FY2025, the Committee met 7 times viz. on 24 April 2024, 6 June 2024, 22 July 2024, 20 August 2024, 21 October 2024, 27 January 2025 and 19 March 2025. The meetings were scheduled well in advance and not more than one hundred and twenty days elapsed between 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 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.

Table 4: Composition of the Audit Committee and attendance record of the members for FY2025

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2025 (Out of 7 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Anami N Roy	01.06.2021	Chairman, Non-Executive and Independent	7	7	-
Rajeev Jain	01.05.2022	Non-Executive and Non-Independent	7	7	100 (Bajaj Finance Limited jointly with Rajeev Jain)
Dr. Arindam Bhattacharya	01.05.2022	Non-Executive, Independent	7	7	-
Jasmine Chaney	01.04.2023	Non-Executive, Independent	7	7	-
S M N Swamy*	15.10.2024	Non-Executive, Independent	3	3	-

*S M N Swamy was inducted as a Member of Audit Committee w.e.f. 15 October 2024.

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

Nomination and Remuneration Committee

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

The terms of reference of the Committee, *inter alia*, includes 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 by Companies Act, SEBI Listing Regulations and RBI Regulations.

The detailed terms of reference of the Committee can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/terms_of_reference_of_board_committees.pdf.

Meetings and Attendance

During FY2025, the Committee met six times viz. 24 April 2024, 6 June 2024, 22 July 2024, 21 October 2024, 27 January 2025 and 19 March 2025.

Table 5: Composition of the Nomination and Remuneration Committee and attendance record of the members for FY2025.

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2025 (Out of 6 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Dr. Arindam Bhattacharya	22.01.2023	Chairman, Non-Executive and Independent	6	6	-
Anami N Roy	19.05.2020	Non-Executive and Independent	6	6	-
Rajeev Jain	01.05.2022	Non-Executive and Non-Independent	6	6	100 (Bajaj Finance Limited jointly with Rajeev Jain)

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

The Company has in place performance evaluation criteria for Board, Committees, Chairman and Directors. The criteria for evaluation of Independent Directors, *inter alia*, includes attendance and participation, openness to ideas, independent views & judgment that contributes to the objectivity of the Board's deliberation, particularly on issues of strategy, performance, resources, key appointments, risk management, and standards of conduct and devotion of sufficient time and attention towards professional obligations for independent decision and acting in the interest of all stakeholders.

These criteria are hosted on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/documents/37350/53075/BHFL+-+Performance+Evaluation+Criteria+-+F.pdf>.

Risk Management Committee

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

The terms of reference of RMC *inter alia*, includes, managing the integrated risk, laying down procedures to inform the Board about risk assessment and mitigation procedures in the Company, and framing, implementing, monitoring the risk management plan for the Company including cyber security.

The Company has a risk management framework duly approved by its Board. The details of Risks Management and various mitigates are covered in detail in Management and Discussion Analysis Report.

The detailed terms of reference of the Committee can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/terms_of_reference_of_board_committees.pdf.

Niraj Adiani is the Chief Risk Officer of the Company.

Meetings and Attendance

During FY2025, the Committee met four times viz. on 24 April 2024, 22 July 2024, 21 October 2024 and 27 January 2025.

Table 6: Composition of the Risk Management Committee and attendance record of the members for FY2025

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2025 (Out of 4 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Dr. Arindam Bhattacharya	01.05.2022	Chairman, Non-Executive and Independent	4	4	-
Sanjiv Bajaj	16.05.2018	Non-Executive and Non-Independent	4	4	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)
Rajeev Jain	20.03.2017	Non-Executive and Non-Independent	4	4	100 (Bajaj Finance Limited jointly with Rajeev Jain)
Atul Jain	22.09.2017	Managing Director	4	4	7376 (100 shares by Bajaj Finance Limited jointly with Atul Jain)
Jasmine Chaney	01.04.2023	Non-Executive and Independent	4	4	-
Anami N Roy	01.05.2022	Non-Executive and Independent	4	4	-
Niraj Adiani [#]	22.10.2018	Chief Risk Officer	3	3	7276
Gaurav Kalani [#]	01.05.2022	Chief Financial Officer	3	3	7276
Vijay Solanki [#]	01.05.2022	Treasurer	3	3	7062
Ajita Kakade [*]	01.05.2022	Executive Vice President – Credit Operations & HR	1	1	-
Gagandeep ^{*#} Malhotra	01.06.2024	Executive Vice President – Credit & Operations	2	2	7062

*On account of resignation Ajita Kakade ceased to be a member of the Committee w.e.f. 31 May 2024. Gagandeep Malhotra was inducted as a member of the Committee w.e.f. 1 June 2024.

[#]Niraj Adiani, Gaurav Kalani, Vijay Solanki, Gagandeep Malhotra ceased to be a member of the Committee w.e.f. 22 October 2024.

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

Stakeholders' Relationship Committee

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

The terms of reference of the Committee, *inter alia*, includes redressal of grievances of the security holders, review of measures taken for effective exercise of voting rights by shareholders, and review of adherence to the service standards in respect of various services rendered by the Registrar and Share Transfer Agent ('RTA').

The detailed terms of reference of the Committee can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/terms_of_reference_of_board_committees.pdf.

Meetings and Attendance

During FY2025, the Stakeholders' Relationship Committee meeting was held on 19 March 2025.

Table 7: Composition of the Stakeholders' Relationship Committee and attendance record of the Members for FY2025

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2025 (Out of 1 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Anami N Roy	17.01.2022	Chairman, Non-Executive and Independent	1	1	-
Sanjiv Bajaj	17.01.2022	Non-Executive and Non-Independent	1	1	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)
S M N Swamy*	22.10.2024	Non-Executive and Independent	1	1	-
Rajeev Jain	17.01.2022	Non-Executive and Non-Independent	1	1	100 (Bajaj Finance Limited jointly with Rajeev Jain)

*S M N Swamy was inducted as member of the Committee w.e.f. 22 October 2024.

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

Table 8: Details of investor complaints received during FY2025

No. of complaints outstanding at the beginning of the year	No. of Complaints received	No. of complaints not solved to the satisfaction of investor	No. of complaints solved	No. of complaints pending at the end of year
Nil	368	Nil	366	2

Atul Patni, Company Secretary acts as the compliance officer.

Information Technology (IT) Strategy Committee

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

Meetings and Attendance

During FY2025, the Committee met four times viz. on 24 April 2024, 22 July 2024, 21 October 2024 and 27 January 2025.

Table 9: Composition of IT Strategy Committee and attendance record of the Members for FY2025

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2025 (Out of 4 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Dr. Arindam Bhattacharya	01.05.2022	Chairman, Non- Executive and Independent	4	4	-
Jasmine Chaney	01.04.2023	Non-Executive and Independent	4	4	-
Sanjiv Bajaj	16.07.2018	Non-Executive and Non- Independent	4	4	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)
Rajeev Jain	16.07.2018	Non-Executive and Non- Independent	4	4	100 (Bajaj Finance Limited jointly with Rajeev Jain)
Atul Jain	16.07.2018	Managing Director	4	4	7376 (100 shares by Bajaj Finance Limited jointly with Atul Jain)
Gaurav Kalani*	16.07.2018	Chief Financial Officer	3	3	7276
Niraj Adiani*	16.07.2018	Chief Risk Officer	3	3	7276
Anurag Jain*	16.07.2018	Chief-Information Technology	3	3	7276

*Gaurav Kalani, Niraj Adiani, and Anurag Jain ceased to be a member of the Committee w.e.f. 22 October 2024.

The detailed terms of reference of the Committee can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/terms_of_reference_of_board_committees.pdf.

During FY2025, the Committee was apprised, *inter alia*, on IT Infrastructure Projects, Information Security Projects, new business applications, data analytics, strengthening of data control, data recovery drills, application security framework, security incident monitoring overview, domain migration, threat functioning and forensics, and information system audit.

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

IPO Committee

The Board at its meeting held on 24 April 2024 constituted the IPO Committee comprising Sanjiv Bajaj, Chairman, Rajeev Jain and Atul Jain.

The terms of reference of IPO Committee included discussions and correspondence with various intermediaries and stakeholders, evaluating the appointment of various legal advisors, auditors and other service providers and negotiating engagement letters with such parties, liaising with the lenders, customers, government authorities and other stakeholders, as applicable, for obtaining their consent in relation to the proposed capital raise and any other ancillary corporate matters and doing all such acts, deeds, and things as may be required in relation to IPO-related activities.

During FY2025, the Committee met eight times viz. on 4 May 2024, 28 May 2024, 20 August 2024, 30 August 2024, 2 September 2024, 6 September 2024, 11 September 2024 and 13 September 2024.

Board Sub-committee (For approval of Credit Cases)

The Company has in place a Board sub-committee to review and sanction credit facilities comprising of Rajeev Jain, Chairman, Anami N Roy and Jasmine Chaney.

The role of the Committee is to sanction credit facilities beyond the delegated authority of joint approval of Vice- Chairman & Managing Director. The Committee is authorised to sanction exposures up to ₹ 2,000 crore.

Review Committee Under the Mechanism for Identification and Reporting of Wilful Defaulters (Review Committee)

In line with RBI/NHB Guidelines, HFCs are required to have a mechanism for identification and reporting of wilful defaults of ₹ 25 lakh and above. The said guidelines *inter alia* provided that evidence of a wilful default on the part of the borrowing company and its promoters/whole-time director, should be examined by an Identification Committee. The Order of the Identification Committee constituted under the said mechanism should be reviewed by a "Review Committee" constituted under the said mechanism.

As on 31 March 2025, the Committee comprises of Atul Jain, Chairman and other members being Anami N Roy and Dr. Arindam Bhattacharya. Sanjiv Bajaj and Rajeev Jain stepped down from membership position of the Committee with effect from 22 October 2024. The function of the Committee is to review the order passed by the identification committee.

During FY2025, there have been no instances of declaration of any borrower as a wilful defaulter.

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

In line with Master Directions on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) issued by RBI, the Company has constituted a special committee for Monitoring and Follow-up of cases of frauds with effect from 22 October 2024 for prevention, early detection and timely reporting of incidents of fraud. The Committee comprises of Jasmine Chaney, Chairperson and other members being S M N Swamy, Rajeev Jain and Atul Jain. The Committee is headed by an Independent Director.

The terms of reference of the Committee, *inter alia*, includes review and monitoring the cases of fraud including root cause analysis and suggest mitigating measures for strengthening the internal controls, risk management framework and minimising the incidence of frauds, oversee effectiveness of fraud risk management, etc.

The detailed terms of reference of the Committee can be accessed at https://www.bajajhousingfinance.in/documents/37350/53075/terms_of_reference_of_board_committees.pdf.

Meetings and Attendance

During FY2025, the meeting of Special Committee for Monitoring and Follow-up of cases of frauds was held on 27 January 2025.

Table 10: Composition of the Special Committee for Monitoring and Follow-up of cases of frauds and attendance record of the Members for FY2025

Name of director	Member of the Committee Since	Capacity	No. of meetings attended during FY2025 (Out of 1 held)		No. of shares held in the Company
			Entitled to attend	Attended	
Jasmine Chaney	22.10.2024	Chairperson, Non-Executive and Independent	1	1	-
S M N Swamy	22.10.2024	Non-Executive and Independent	1	1	-
Rajeev Jain	22.10.2024	Non-Executive and Non-Independent	1	1	100 (Bajaj Finance Limited jointly with Rajeev Jain)
Atul Jain	22.10.2024	Managing Director	1	1	7376 (100 shares by Bajaj Finance Limited jointly with Atul Jain)

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

Asset Liability Management Committee

Pursuant to the RBI Guidelines, the Company has in place a Committee of Directors for Asset Liability Management ('ALM'). It comprises of Chairman and Vice-Chairman of the Company and meets on quarterly basis.

The Company has also in place an ALM Committee comprising Vice-Chairman, Managing Director and other senior executives of the Company. The said committee meets on monthly basis.

The role of the Committees is to oversee ALM system and review its functionality in accordance with Board approved ALM policy.

The minutes of the Committee meetings are placed before the Board for their noting and review.

Investment Committee

Pursuant to the RBI Guidelines, the Company has in place an Investment Committee. The Committee comprises of senior executives of the Company and meets on monthly basis. The Managing Director chairs the meetings of the Committee.

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

The minutes of the Committee meetings are placed before the Board for their noting and review.

Particular of Senior Management including changes since the close of previous financial year:

Details of Senior Management Personnel as on 31 March 2025 and changes therein during FY2025:

Sr. No.	Name of Senior Management Personnel	Designation
1.	Gaurav Kalani	Chief Financial Officer
2.	Atul Patni	Company Secretary
3.	Jasminder Singh Chahal	President – Home Loan
4.	Pawan Bhansali	Senior Executive Vice President – Near Prime and Affordable
5.	Vijay Vikram Singh Solanki	Treasurer
6.	Amit Sinha	Executive Vice President – Home Loans, B2C
7.	Vipin Arora	Executive Vice President – CRE & LAP
8.	Dushyant Poddar	Executive Vice President – Developer Finance
9.	Kumar Gaurav Pruthi	Executive Vice President – Debt Management Services
10.	Niraj Adiani	Executive Vice President – Risk
11.	Gagandeep Malhotra	Executive Vice President – Credit & Operations
12.	Sayantani Dutta	Chief – Human Resources and Administration
13.	Anurag Jain	Chief – Information Technology
14.	Amit Kumar Yadav	Chief Compliance Officer
15.	Biswaranjan Bastia	Senior Head – Insurance Services
16.	Naman Agarwal	Senior Head – Corporate Audit Services
17.	Rajendra Pandurang Daf	Chief Information Security Officer

Changes during the FY2025:

- Dushyant Poddar – Executive Vice President – Developer Finance, Gagandeep Malhotra – Executive Vice President – Credit & Operations, Anurag Jain – Chief – Information Technology, Biswaranjan Bastia – Senior Head – Insurance Services and Neel Shah – National Head – Marketing were designated as SMPs.
- Jasminder Singh Chahal joined the Company as President – Home Loan and designated as SMP.
- Ajita Kakade – Executive Vice President – Credit, Operations and Human Resources ceased to be SMP on account of resignation.
- Neel Shah – National Head – Marketing, ceased to be SMP due to change in internal reporting structure.

Disclosure of certain types of agreements binding listed entities

The Company has not entered into agreements with shareholders, promoters, promoter group entities, related parties, directors, key managerial personnel, employees of the Company or of its holding, 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.

Remuneration of Directors

Pecuniary relationship/transaction with Non-Executive Directors

During FY2025, there were no pecuniary relationship/transactions of any Non-Executive Directors (NEDs) with the Company, other than sitting fees and profit linked Commission, payable to them as directors.

Criteria of Making Payments to Non-Executive Directors

Non-Executive Directors (NEDs) 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 responsibilities and obligations imposed on the NEDs have increased manifold in the recent years on account of a number of factors, including the growth in the activities of the Company and the rapid evolution arising out of legal and regulatory provisions and requirements.

During FY2025, apart from sitting fees of ₹ 1,00,000 and commission at a rate of ₹ 2,00,000 per meeting of the Board and/or its Committees (except Corporate Social Responsibility Committee and Board sub-committee for approval of credit cases) attended by them, no other remuneration is paid to Non-Executive Directors.

The members of the Company vide Special Resolution passed at the Annual General Meeting (AGM) of the Company held on 15 June 2022 have approved the payment of commission up to a sum not exceeding one percent of the net profits of the Company, calculated in accordance with the provisions of Section 197 and 198 of the Act, to be paid and distributed among the directors of the Company or some or any of them (other than the Managing Director/Whole-time Director) 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 five years commencing from 1 July 2022.

The Commission is paid to the Directors after the adoption of financial statements by the members at the AGM.

The Company has not issued any stock options to NEDs.

Remuneration payable to NEDs 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.bajajhousingfinance.in/annual-reports>.

Managing Director

During FY2025, the Company paid remuneration to Atul Jain, Managing Director as mentioned in the Form MGT-7 ('annual return'). The tenure of the Atul Jain is of five years up to 30 April 2027 with a notice period of at least six months and salary in lieu thereof. He is also entitled to the other perquisites and benefits mentioned in the agreement entered into with the Company. There is no provision for payment of severance fees. The performance pay/bonus of the MD is based on the performance of the Company and his contribution towards the same.

During FY2025, he has been granted 43,79,050 options at a grant price of ₹ 54.5 under Bajaj Housing Finance Limited Employee Stock Option Scheme, 2024. These grants will vest over a period of four years (25% every year) after a period of one year from the date of grant. The vested options will be exercisable over a period of five years from the date of vesting. Further, the compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Regulations.

Further, in terms of the resolution passed and as per the ESOP scheme of holding companies, eligible employees may be granted ESOP of Bajaj Finance Limited, holding company and Bajaj Finserv Limited ultimate holding company (referred to as 'holding companies'), as per applicable SEBI Regulations. Further, as per SEBI SBEB Regulations, eligible employee includes employee of subsidiary and/or holding Company.

Management Discussion and Analysis Report

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 personal interest that might have been in potential conflict with the interest of the Company at large. As per the disclosures submitted by the senior management, there were no such transactions during FY2025.

Compliances Regarding Insider Trading

Pursuant to SEBI (Prohibition of Insider Trading) Regulations 2015, as amended, ('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').

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

The Audit Committee and the Board annually reviews the compliance in terms Regulation 9A(4) of SEBI PIT Regulations and confirmed that the systems for internal control with respect to SEBI PIT Regulations are adequate and are operating effectively.

Means of Communication

Quarterly, half-yearly and annual financial results are published in the newspapers viz., Business Standard and, Lokmat. The same is also uploaded on the Stock Exchange website.

The Company's website <https://www.bajajhousingfinance.in/> under the section of 'investor relations', contains all important public domain information including financial results, various policies framed/approved by the Board, presentations made to the analysts and institutional investors, schedule and transcripts of earnings call with investors, details of the contact persons, etc.

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.

Information on General Body Meetings and Details of Special Resolution(s) Passed

A. Table 11: Details of the General Meetings held during last three years:

Type of Meeting	Date, time and place of AGM/ EGM	Details of special resolution(s) passed	Voting percentage of shareholders participate		
			Particulars	% Favour	% Against
EGM	19 August 2024 5:00 pm at Pune	- Appointment of Shri Srirama Madakasira Narasimha Swamy (DIN: 10367727) as an independent director of the Company for a term of five consecutive years w.e.f. 1 August 2024.	All Shareholders	100	0
16 th AGM	22 July 2024 5:00 pm at Pune	- Issue of non-convertible debentures through private placement.	All Shareholders	100	0
EGM	6 June 2024 5:45 pm at Pune	- Alteration to the Articles of Association of the Company - Increase in the Borrowing Powers of the Company and creation of charge/ security on the Company's asset - Amendment of Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 - Initial Public Offering of Equity Shares of the Company	All Shareholders	100	0

Type of Meeting	Date, time and place of AGM/ EGM	Details of special resolution(s) passed	Voting percentage of shareholders participate		
			Particulars	% Favour	% Against
EGM	24 April 2024 5:45 pm at Pune	<ul style="list-style-type: none"> - Approval of Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 (BHFL ESOP 2024). - Adoption of Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 ("BHFL ESOP 2024") and extending the benefits to eligible employees of its holding company(ies) or subsidiary company(ies) of the Company, if any. - Approval for implementing the Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 ("BHFL ESOP 2024") through trust route and acquisition of shares by the Trust. - Granting loan and/ or providing guarantee or security for purchase of the shares of the Company by the Trust / Trustees of the Trust for the benefit of the employees under the Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 ("BHFL ESOP 2024"). 	All Shareholders	100	0
15 th AGM	24 July 2023 9:05 am at Pune	<ul style="list-style-type: none"> - Issue of Non-Convertible Debentures through Private Placement - Alteration of Articles of Association of the Company 	All Shareholders	100	0
EGM	19 May 2023 9:30 am at Pune	<ul style="list-style-type: none"> - Increase in the Borrowing Powers of the Company and creation of charge/ security on the Companies assets - Issue of Non-Convertible Debentures through Private Placement - Appointment of Ms. Jasmine Arish Chaney (DIN: 07082359) as the Independent Director - Alteration to the Object Clause of the Memorandum of Association of the Company. 	All Shareholders	100	0
14 th AGM	15 June 2022 4:00 pm at Pune	<ul style="list-style-type: none"> - Issue of Non-Convertible Debentures through Private Placement - Increase in Borrowing powers of the Company and creation of charge/ security on company's asset - Appointment of Atul Jain (DIN: 09561712) as a Managing Director - Appointment of Dr. Arindam Kumar Bhattacharya (DIN: 01570746) as the Independent Director 	All Shareholders	100	0

Note: All the Annual General Meetings ('AGM') and Extra Ordinary General Meetings ('EGM') were held at Bajaj Finserv Corporate Office, Off Pune-Ahmednagar Road, Viman Nagar, Pune - 411 014

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

During FY2025, the Company had sought approval of the members through postal ballot, the details of the same are given below:

I. Postal Ballot notice dated 21 October 2024:

a) Details of voting:

Sr.**No. Items of special resolution****Voting percentage of shareholders participated**

1.	Ratification of the Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 ("BHFL ESOP 2024").	Particulars	% Favour	% Against
		All shareholders	99.98	0.02
		Non-promoter category	99.16	0.84
2.	Ratification of the extension of the benefits under the Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 ("BHFL ESOP 2024") to the eligible employees of holding company(ies) or subsidiary company(ies) of the Company, if any.	Particulars	% Favour	% Against
		All shareholders	98.72	1.28
		Non-promoter category	50.33	49.67
3.	Approval to authorise the Trust, to acquire equity shares from secondary market for implementation of the Bajaj Housing Finance Limited Employee Stock Option Scheme 2024 ("BHFL ESOP 2024").	Particulars	% Favour	% Against
		All shareholders	99.99	0.01
		Non-promoter category	99.55	0.45

The Company had appointed Shyamprasad D Limaye, Practicing Company Secretary (FCS No. 1587, CP No. 572) as Scrutiniser for conducting the postal ballot including remote e-voting process in a fair and transparent manner.

It can be seen from the above, all resolutions proposed by the Board have been passed with overwhelming majority by the shareholders. The percentage of votes in favour, when reckoned to the exclusion of promoters/ promoter group category has been quite significant.

C. Special resolutions proposed to be conducted through postal ballot

As on the date of this report, below mentioned special resolutions are proposed to be conducted through postal ballot:

- To approve continuation of Directorship of Shri Anami N Roy (DIN: 01361110) as an Independent Director beyond the age of 75 years in his current tenure; and
- Re-appointment of Shri Anami N Roy (DIN: 01361110) as an Independent Director of the Company for a second term of three consecutive years w.e.f. 19 May 2025.

D. Procedure for postal ballot

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Company provides facility to the members to exercise votes through electronic voting system ('remote e-voting'). Postal ballot notice and form are dispatched to members/beneficial owners through email at their registered email IDs.

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 and the voting results are announced by the Chairman 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.

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

Details of Non-Compliance, if any

The Company has complied with all applicable legal requirements of the Companies Act, 2013 including accounting and secretarial standards.

Details of capital market non-compliance, if any

During FY2024, BSE has levied fine of ₹ 10,000 as per SEBI circular dated 29 July 2022, for delayed compliance under Regulation 60(2) of the SEBI Listing Regulations, pertaining to Record Date Intimation for ISIN - INE377Y07318. The Company has paid the requisite fine. There has been no delay or default in the payment of interest or principal to the debenture holders.

Apart from aforesaid penalty, no other 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 with covenants

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

Details of Penalties and Strictures

During FY2025, the Company has remitted a penalty of ~ ₹ 1.73 lakh imposed by Deputy Commissioner of State Tax Maharashtra GST. It has been alleged that the Company has incorrectly reduced outward liability by raising credit notes on which GST credit was not reversed by the customers. Apart from this, no other penalty and strictures were imposed by the RBI/NHB or any other statutory authority or regulator.

Compliance Certificate

The MD and CFO have certified to the Board with regard to the financial statements and other matters as required under the SEBI Listing Regulations.

Report on Corporate Governance

This report read together with the information given in the 'Directors' Report', the section on 'Management Discussion and Analysis' and 'General Shareholder Information', constitute the compliance report on Corporate Governance during FY2025.

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

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

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

Number of complaints filed during FY2025	0
Number of complaints disposed of during FY2025	0
Number of complaints pending at the end of FY2025	0

Fees Paid to Statutory Auditors

Fees paid by the Company to the joint statutory auditors including all entities in their network firm/entity of which they are a part, is given below:

A. Khandelwal Jain & Co: (till 16th AGM)

Sr. No.	Nature of Services	(₹ in lakh)
1	Audit fees	-
2	Fees for other services*	37.00
Total		37.00

*including audit fees for IPO and excluding out of pocket expenses and applicable taxes

B. G D Apte & Co: (till 16th AGM)

Sr. No.	Nature of Services	(₹ in lakh)
1	Audit fees	-
2	Fees for other services*	37.00
Total		37.00

*including audit fees for IPO and excluding out of pocket expenses and applicable taxes

C. Mukund M. Chitale & Co:

Sr. No.	Nature of Services	(₹ in lakh)
1	Audit fees	20.85
2	Fees for other services*	36.81
Total		57.66

*including audit fees for IPO and excluding out of pocket expenses and applicable taxes

D. Singhi & Co:

Sr. No.	Nature of Services	(₹ in lakh)
1	Audit fees	20.85
2	Fees for other services*	31.25
Total		52.10

*including audit fees for IPO and excluding out of pocket expenses and applicable taxes

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 Discretionary Requirements

During the financial year under review, 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.

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

1. Modified opinion(s) in audit report

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

2. Separate posts of Chairperson and the Managing Director

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

3. Shareholder rights

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

GENERAL SHAREHOLDER INFORMATION

17th Annual General Meeting (AGM)

Day and date	Wednesday, 23 July 2025
Time	03:45 p.m.
Mode of AGM	In-person (Physical AGM)
Venue of the Meeting	Hotel Hyatt Regency, Opposite Weikfield IT Citi Info Park, Nagar Road, Viman Nagar, Pune – 411 014
Link to join one-way live webcast	https://emeetings.kfintech.com/
Remote e-voting starts	Saturday, 19 July 2025
Remote e-voting ends	Tuesday, 22 July 2025

Financial Year

The Company follows the financial year starting from 1 April to 31 March every year.

Dividend and date of Payment

Board has not recommended any dividend for FY2025 for consideration of the members at the ensuing Annual General Meeting.

Listing on Stock Exchange

Name of Stock Exchange	Address
BSE Limited	P. J. Towers, Dalal Street, Mumbai – 400 001.
National Stock Exchange of India Limited	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 INE377Y01014.

The Company also issues privately placed NCDs (secured/unsecured) from time to time basis. For each issue of NCDs separate ISIN and scrip code is generated. The Issuer Code is 377Y.

The non-convertible debentures and commercial papers are listed on the wholesale debt market (WDM) of BSE. Further, Annual listing fees, as prescribed, have been paid to BSE and NSE up to 31 March 2026.

Live webcast of AGM

Pursuant to Regulation 44(6) of the SEBI Listing Regulations, top 100 listed entities shall, with effect from 1 April 2019, provide one-way live webcast of the proceedings of their AGM. Accordingly, the Company has entered into an arrangement with KFin to facilitate live webcast of the proceedings of the ensuing AGM scheduled on 23 July 2025.

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

Registrar and Share Transfer Agent

In terms of Regulation 7 of SEBI Listing Regulations, KFin Technologies Limited (referred to as 'KFin') continues to be the Registrar and Share Transfer Agent and to manage all relevant corporate registry services for the Company. Further, they also acted as a Registrar to the Initial Public Offering of the Company.

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

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

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

Outstanding Convertible Instruments/ ADRs/ GDRs/ Warrants

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

Commodity Price/Foreign Exchange Risk and Hedging Activities

Being a financial service company, the Company is not exposed directly to commodity price risk. Similarly, it also does not have any direct exposure to foreign exchange risk and hedging activities.

Plant Location

The Company being a Housing Finance Company does not have any manufacturing plant.

Credit Rating

During FY2025, the Company retained its credit rating owing to its high capital adequacy, strong growth, strong promoter support and tightened credit acceptance criteria. The Company has been assigned the following ratings for its long-term and short-term borrowings:

Long-term debt rating and Bank Loan rating

"CRISIL AAA/Stable" for its long-term borrowing programme, which comprises of ₹ 49,187.80 crore for the NCD programme, ₹ 1,000 crore for the subordinate debt programme, ₹ 16,000 crore for its bank loan rating programme.

"IND AAA/Stable" for its long-term borrowing programme, which comprises of ₹ 25,000 crore for the NCD and for the subordinate debt programme and ₹ 65,000 crore for its bank loan rating programme

Short-term debt rating and Bank Loan rating

"CRISIL A1+" for its short-term debt programme with a programme size of ₹ 9,000 crore, "CRISIL A1+" for its short-term bank loan facilities interchangeable with in long-term rating amount.

"IND A1+" for its short-term debt programme with a programme size of ₹ 9,000 crore, "IND A1+" for its short-term bank loan facilities interchangeable with in long-term rating amount.

All the above ratings indicate a high degree of safety with regard to timely payment of interest and principal.

The details of the long-term and short-term ratings are available on the website at <https://www.bajajhousingfinance.in/credit-rating>.

Tax Deducted at Source ('TDS') on Interest of Listed Non-Convertible Debentures

As per the provisions of Section 193 of the Income Tax Act, 1961, the Company would be required to deduct applicable TDS on interest payment to the NCD holders who are entitled to receive the interest on NCD held by them on the record date.

Securityholders' and Investors' Grievances

The Board of Directors of the Company have constituted a Stakeholders Relationship Committee to specifically look into and resolve grievances of security-holders. The Composition of the Committee and details on investor complaints received during the year are given in Corporate Governance Report.

Online Dispute Resolution (ODR) Mechanism:

In order to streamline the dispute resolution mechanism in the securities market, SEBI vide its circular dated 31 July 2023, as amended from time to time, read with Master Circular no. SEBI/HO/OIAE/OIAE_IAD3/P/CIR/2023/195 dated 28 December 2023, introduced a common Online Dispute Resolution ("ODR") mechanism which harnesses online conciliation and arbitration for resolution of all kinds of disputes relating to securities market.

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

Share transfer system

All transmission, transposition, rematerialisation requests are processed at KFin. The work related to dematerialisation/ rematerialisation is handled by KFin through connectivity with NSDL and Central Depository Services (India) Ltd. ('CDSL').

Disclosures with respect to demat suspense account/ unclaimed suspense account

The Company has a demat account titled 'Bajaj Housing Finance Limited – Unclaimed Securities Suspense Escrow account' with Stock Holding Corporation of India Limited to which unclaimed shares of the IPO were transferred.

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

Sr. No.	Particulars	No. of shareholders	No. of shares
1.	Details of Unclaimed Securities Suspense Escrow account at the beginning of the year	-	-
2.	Details of shareholders who approached the Company for transfer of shares from suspense account during the year	10	2,140
3.	Details of shareholders to whom shares were transferred from suspense account during the year	9	1,926
4.	Details of Unclaimed Securities Suspense Escrow account at the end of the year	1	214

The voting rights of these shares lying in the aforesaid account shall remain frozen till the rightful owner of such shares claims the same.

Distribution of shareholding

Table 1 gives details about the pattern of shareholding across various categories as on 31 March 2025, while Table 2 gives the data according to size class.

Table 1: Distribution of shareholding across various categories as on 31 March 2025:

Category	% to capital
Promoters & Promoter Group	88.75
Mutual Funds	0.45
FII & FPIs	1.12
Resident & Non-resident Individuals	8.76
Corporates	0.69
Others	0.23
Total	100

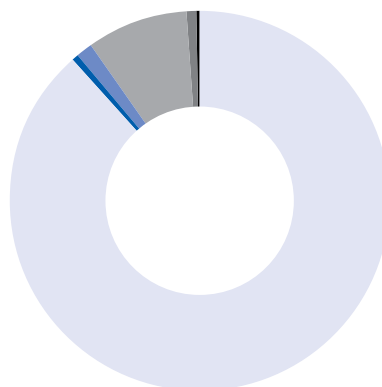


Table 2: Distribution of shareholding according to size class as on 31 March 2025:

Category (Shares)	No. of Members	% to total Members	No. of shares held	% to total capital
1-5000	26,40,739	99.58	60,61,54,562	7.28
5001-10000	7,322	0.27	5,25,70,354	0.63
10001-20000	2,295	0.09	3,21,25,540	0.39
20001-30000	595	0.02	1,46,72,583	0.18
30001-40000	238	0.01	83,23,715	0.10
40001-50000	146	0.01	67,44,454	0.08
50001-100000	221	0.01	1,62,49,495	0.19
100001 & above	206	0.01	7,59,13,05,998	91.15
Total	26,51,762	100.00	8,32,81,46,701	100.00

Dematerialisation/Rematerialisation of shares

During FY2025, the Company has received two remat requests from the shareholders for 155 shares and the shares were rematerialised. Shares held in physical and electronic mode as on 31 March 2025 are given in Table 1.

Table 1: Shares held in physical and electronic mode as on 31 March 2025:

Particulars	Position as on 31 March 2025		
	No. of holders	No. of shares	% to total shareholding
Demat	26,51,760	8,32,81,46,546	100.00
- NSDL	5,38,661	7,80,44,79,283	93.71
- CDSL	21,13,099	52,36,67,263	6.29
Physical	2	155	0.00
Total	26,51,762	8,32,81,46,701	100

Liquidity

The equity shares of the Company are listed on BSE and NSE and are frequently traded. The summary of average daily trading in equity shares of the Company on both the stock exchanges for FY2025 is shown as below:

Particulars	No. of shares traded	Value of shares
NSE	2,58,76,058	3,78,05,38,827
BSE	26,51,552	38,20,17,379
Total	2,85,27,610	4,16,25,56,206

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

Address for Correspondence

Sr. No.	Particulars	Address	Contact Details
1	Company	Registered Office: Bajaj Auto Ltd. Complex, Mumbai- Pune Road, Akurdi, Pune – 411 035, Maharashtra Corporate Office: Cerebrum IT Park, B2 Building, 5 th Floor, Kumar City, Kalyani Nagar, Pune – 411 014, Maharashtra	Tel No.: (020) 71878060 E-mail ID: bhfinvestor.service@bajajhousing.co.in Website: www.bajajhousingfinance.in
2	Registrar and Share Transfer Agent	KFin Technologies Ltd. Unit: Bajaj Housing Finance Limited Selenium Building, Tower-B, Plot No 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddi, Telangana – 500 032	Toll Free No.: 1800 309 4001 E-mail ID: einward.ris@kfintech.com KFin Website: https://www.kfintech.com https://ris.kfintech.com
3	Debenture Trustee	Catalyst Trusteeship Ltd. GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune-411 038, Maharashtra	Tel. No.: (020) 66807200 E-mail ID: ComplianceCTL-Mumbai@ctltrustee.com Website: https://catalysttrustee.com/

Investor Support Centre

In view of SEBI circular no. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/72 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/sign up, 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, meeting and e-voting details.

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

Form AOC-2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to Section 188
N.A.							

2. Details of material contracts or arrangement or transactions at arm's length basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date of approval by the Board, if any	Amount paid as advances, if any
N.A.					

Sanjiv Bajaj

Chairman

DIN: 00014615

Date: 23 April 2025

DECLARATION BY MANAGING DIRECTOR

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

To,
The Board of Directors,
Bajaj Housing Finance Limited

I, Atul Jain, Managing Director of Bajaj Housing Finance Limited hereby declare that all the board members and senior managerial personnel have affirmed compliance with the code of conduct of the company laid down for them for the year ended 31 March 2025.

Atul Jain
Managing Director
DIN: 09561712
Pune, 23 April 2025

CERTIFICATE BY PRACTICING COMPANY SECRETARY

[Pursuant to Schedule V read with Regulation 34(3) & Schedule V, Para C, Clause (10)(i) of SEBI (LODR) Regulations, 2015 (as amended)]

In the matter of Bajaj Housing Finance Ltd. (CIN: L65910PN2008PLC132228) having its registered office at Bajaj Auto Limited Complex Mumbai-Pune Road, Akurdi, Pune - 411035.

On the basis of examination of the books, minute books, forms and returns filed and other records maintained by the Company and declarations made by the directors and explanations given by the Company.

I certify that the following persons are Directors of the Company (during 01/04/2024 to 31/03/2025) and none of them have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Bajaj	00014615	Chairman - Non-Executive Non - Independent Director
2	Rajeev Jain	01550158	Vice Chairman - Non-Executive Non - Independent Director
3	Anami Narayan Prema Roy	01361110	Non - Executive Independent Director
4	Dr. Arindam Bhattacharya	01570746	Non - Executive Independent Director
5	Jasmine Arish Chaney	07092359	Non - Executive Independent Director
6	Srirama Madakasira Narasimha Swamy*	10367727	Non - Executive Independent Director
7	Atul Jain	09561712	Managing Director

*Srirama Madakasira Narasimha Swamy (DIN: 10367727) was appointed as Non-Executive Independent Director of the Company w.e.f. 01.08.2024 by the Board of Directors at its meeting held on 22.07.2024.

Place : Pune

Date : 23 April 2025

UDIN : F001587G000177895

Shyamprasad D. Limaye

FCS. 1587 C.P. No 572

SECRETARIAL AUDIT REPORT (FORM NO. 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 2025

To,

The Members of,

Bajaj Housing Finance Limited,

(CIN: L65910PN2008PLC132228)

Bajaj Auto Ltd. Complex, Mumbai-Pune Road,

Akurdi, Pune-411035.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and adherence to good corporate practices by **Bajaj Housing Finance Limited** (hereinafter called as 'the Company'). The Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of Secretarial Audit and subject to letter annexed herewith, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on 31 March, 2025, complied with the applicable statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March, 2025, according to the provisions of:

- 1) The Companies Act, 2013 (the 'Act') and the rules made thereunder;
- 2) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- 3) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 4) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- 5) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable: -
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021, as amended;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993, as amended, regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021, as amended;
 - (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018, as amended; and

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.
- 6) Rules, regulations, directions and guidelines issued by the Reserve Bank of India/National Housing Bank as are applicable to the Company;
- 7) The Insurance Act, 1938, the Insurance Regulatory and Development Authority Act, 1999. Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

I have also examined compliance with the applicable clauses of the following:-

- (i) Secretarial Standards pursuant to Section 118(10) of the Act, issued by the Institute of Company Secretaries of India.
- (ii) Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, rules, regulations, guidelines, standards, etc. mentioned above, wherever applicable;

I further report that the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including one Woman Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notices were given to all Directors to schedule the Board meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting by the Directors. The decisions were carried unanimously.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that, during the period, the Company has:

- i. Allotted 1,10,74,19,709 equity shares of ₹ 10/- each at issue price of ₹ 18.06 on Right basis on 3 April 2024 aggregating to ~₹ 2,000 crore to Bajaj Finance Limited.
- ii. On 13 September 2024, the Company allotted 93,71,42,856 equity shares of ₹ 70/- per equity share (including a share premium of ₹ 60/- per equity share) amounting to ₹ 6,560.00 crore through Initial Public Offer comprising a fresh issue of 50,85,71,428 equity shares of the Company and 42,85,71,428 equity shares offered for sale by selling shareholder.
- iii. Allotted 15,94,500 units of Face Value of ₹ 1 lakh each and 11,000 units of Face Value of ₹ 10 lakh each Secured non-convertible debentures amounting to ₹ 17,045.00 crore (Face Value) on private placement basis from time to time and complied with the rules and regulations under various Acts. The Company has raised ₹ 252.00 crore towards Unsecured non-convertible debentures.
- iv. Issued Commercial Papers amounting to ₹ 3,550.00 crore (Face Value) from time to time and complied with the rules and regulations under various Acts.
- v. The equity shares of the Company were Listed on BSE Limited and National Stock Exchange of India Limited on 16 September 2024.

I further report that during the audit period there was no other event/action having major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

Place : Pune

Date : 23 April 2025

UDIN : F001587G000177831

Shyamprasad D. Limaye

FCS. 1587 C.P. No 572

ANNEXURE TO SECRETARIAL AUDIT

To,
The Members,
Bajaj Housing Finance Limited,
Bajaj Auto Ltd. Complex, Mumbai-Pune Road,
Akurdi, Pune -411 035.

My Secretarial Audit Report for the Financial Year ended on 31 March, 2025 of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of event etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Pune

Date : 23 April 2025

Shyamprasad D. Limaye

FCS. 1587 C.P. No 572

Financing Dream Homes...

Our Home Loans cater to salaried and self-employed individuals, as well as professionals, with competitive terms regardless of the loan amount. Our offerings are designed to cater to every requirement, including finance for under-construction and resale properties.



Large Solutions For Large Projects

Our Lease Rental Discounting product enables financing against rental lease and income from commercial real estate such as office spaces, IT parks, warehouses, or industrial projects.



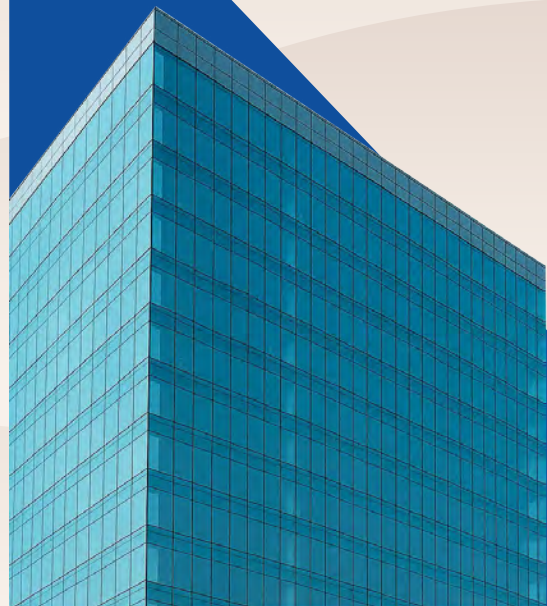
Funds For Business Needs & More...

With our Loan Against Property offering, borrowers across a range of employment types can avail of finance against residential and commercial properties. From new applications to balance transfers, we provide an array of solutions, including finance for business funding, debt consolidation, etc.



Simplifying Finance For Construction

The Developer Finance product offers financing for developers who specialise in and seek funding for both residential and commercial projects.



BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORTING

SECTION A: GENERAL DISCLOSURES

I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the Listed Entity	L65910PN2008PLC132228						
2.	Name of the Listed Entity	Bajaj Housing Finance Limited (Referred to as 'the Company'/'BHFL')						
3.	Year of incorporation	2008						
4.	Registered office address	Bajaj Auto Limited Complex, Mumbai- Pune Road, Akurdi, Pune – 411035						
5.	Corporate address	5 th Floor, B2 Cerebrum IT Park, Kumar City, Kalyani Nagar, Pune – 411 014, Maharashtra						
6.	E-mail	bhflinvestor.service@bajajhousing.co.in						
7.	Telephone	020-71878060						
8.	Website	https://www.bajajhousingfinance.in						
9.	Financial year for which reporting is being done	2024-2025						
10.	Name of the Stock Exchange (s) where shares are listed	BSE Ltd. and National Stock Exchange Limited (NSE Ltd.)						
11.	Paid-up Capital	₹ 8,328.15 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	<table><tr><td>Name and designation of the person</td><td>Atul Patni Company Secretary</td></tr><tr><td>Contact Number</td><td>020-71878060</td></tr><tr><td>Email ID</td><td>atul.patni@bajajhousing.co.in</td></tr></table>	Name and designation of the person	Atul Patni Company Secretary	Contact Number	020-71878060	Email ID	atul.patni@bajajhousing.co.in
Name and designation of the person	Atul Patni Company Secretary							
Contact Number	020-71878060							
Email ID	atul.patni@bajajhousing.co.in							
13	Reporting boundary-Are the disclosures under this report made on a standalone basis (i.e., only for the entity) or on a consolidated basis (i.e., for the entity and all the entities which from a part of its consolidated financial statements, taken together).	Standalone basis						
14	Name of assessment or assurance provider	SGS India Private Limited						
15	Type of assessment or assurance obtained	BRSR Core: Reasonable assurance BRSR Non-Core: Limited assurance						

II. Products/services

16 Details of business activities (accounting for 90% of the turnover)

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1	Financial and Insurance Services	Other Financial activities	100.00%

17 Products/Services sold by the entity (accounting for 90% of the entity's Turnover)

S. No.	Product/Service	NIC Code	% of Total Turnover contributed
1	Activities of house financing companies	65922	100.00%

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	NA	216 [*]	216
International		Nil	Nil

[#]BHFL is not engaged in manufacturing activities.

^{*}Includes all the BHFL branches and corporate offices as on 31 March 2025.

Section A

Section B

Section C

19. Markets served by the entity

a. Number of locations

Location	Number
National (No. of States)	19 States and 3 Union Territories (UTs)
International (No. of Countries)	Nil

b. What is the contribution of exports as a percentage of the total turnover of the entity?

Nil. BHFL doesn't have export business operations.

c. A brief on types of Customers

Home Loans

The Company addresses the home loan needs of all customer segments, including salaried individuals, self-employed professionals and others, covering various transactions such as new purchase, resale, balance transfer and self-construction.

Loan Against Property (LAP)

The Company provides cash flow-backed lending for loans against property (LAP) to SMEs, MSMEs, professionals and salaried customers against their commercial or residential properties using both intermediaries and direct-to-customer sourcing channels.

Lease rental Discounting (LRD)

BHFL provides lease rental discounting to large corporates, HNIs, real estate developers, REITs, private equity players, and sovereign wealth funds. This is done through a relationship-based model against stabilized commercial assets, primarily Grade-A office spaces, warehousing, and industrial properties with a diverse lessee base.

Developer Financing

The Company offers construction financing for residential real estate projects to developers with a proven track record of timely construction, sales, and repayment capabilities. Disbursements are made in tranches based on multiple milestones relating to construction stages, sales and collections – which, help to minimise execution risk.

Partnerships and Services

The Company is registered as a corporate agent with the IRDAI for distribution of life and health insurance products. BHFL offers life insurance, general insurance, health insurance and other financial services products to its customers in partnership with various financial service providers.

IV. Employees

20. Details as at the end of Financial Year

a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		Employees				
1.	Permanent (D)	1,977	1,844	93.27%	133	6.73%
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total employees (D+E)	1,977	1,844	93.27%	133	6.73%
S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
		Workers				
1.	Permanent (F)			NA		
2.	Other than Permanent (G)					
3.	Total employees (F+G)					

NA: BHFL is engaged in financial services businesses which does not require services of workers.

b. Differently abled Employees and workers

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1.	Permanent (F)	1	1	100%	0	0
2.	Other than Permanent (G)	0	0	0	0	0
3.	Total differently abled employees (F+G)	1	1	100%	0	0

*Basis disability certificates voluntarily disclosed by employees.

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B / A)	No. (C)	% (C / A)
Differently abled Employees						
1.	Permanent (F)			NA		
2.	Other than Permanent (G)					
3.	Total employees (F+G)					

NA: BHFL is engaged in financial services businesses which does not require services of workers.

21. Participation/Inclusion/Representation of women

Particulars	Total (A)	No. and Percentage of Females	
		% (B / A)	No. (C)
Board of Directors	7	1	14.29%
Key Management Personnel*	3	0	0%

Note: The above information pertains as on 31 March 2025.

* Key Managerial personnel are as per section 203(1) of the Companies Act, 2013

22. Turnover rate for permanent employees and workers (Disclose trends for the past 3 years)

	FY2025			FY2024			FY2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	39%	47%	40%	40%	24%	39%	49%	36%	49%
Permanent Worker	NA	NA	NA	NA	NA	NA	NA	NA	NA

NA: BHFL is engaged in financial services businesses which does not requires services of workers.

Note: The turnover rate has been calculated as per the guidance note provided by SEBI.

V. Holding, Subsidiary and Associate Companies (including joint ventures)

23. Names of holding / subsidiary / associate companies / joint ventures

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary/ Associate/ Joint Venture	% of shares held by Listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1	Bajaj Finance Ltd.	Holding Company	88.75%	Yes

VI. CSR Details

24. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover for FY2025 (₹ in crore): 9,575.96

(iii) Net worth*(₹ in crore): 19,932.26

*as per section 2(57) of Companies Act, 2013

Section A

Section B

Section C

VII. Transparency and Disclosures Compliances

25. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No) (If yes, then provide web-link for grievance redress policy)	FY2025			FY2024		
		Number of complaints Filed during the year	Number of complaints Pending resolution at close of the year	Remarks	Number of complaints Filed during the year	Number of complaints Pending resolution at close of the year	Remarks
Shareholders	Yes	368	2	2 pending complaints were resolved by 28 April 2025	-	-	-
Investors	Yes	-	-	-	-	-	-
Employee and workers	Yes	Please refer Q.6 under "Essential Indicators of "P5-Business should respect and promote human rights" for the complaints related to employees.					
Customers	Yes	Please refer Q.3 under "Essential Indicators" of "P9 – Businesses should engage with and provide value to their consumers in a responsible manner" for the complaints related to customers					
Value Chain Partners	Yes	-	-	-	-	-	-
Communities		NA					
Others							

BHFL, in line with its policies, practices and processes engages with its stakeholders, and strives to resolve differences raised by them in a just, fair, equitable and consistent manner and if warranted takes corrective measures.

26. Overview of the entity's material responsible business conduct issues

Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the Risk or Opportunity (Indicate Positive or Negative Implications)
Customer Experience	Risk	Given that BHFL provides finance products and services to a large set of customers, any undesirable customer experience could result in loss of customers or even reputational loss.	Listening to customers and driving continuous transformation to provide them a frictionless experience is what BHFL has always strived for. Ethics, transparency, and accountability are deeply ingrained and practiced in daily operations, including in dealing with customers. For a better customer experience, BHFL appropriately addresses their grievances. 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. A dedicated customer complaint reduction unit has been instituted to identify the root cause of customer complaints and taking corrective actions to modify the processes and avoid such grievances.	Negative: Loss of reputation can result in loss of customer thereby adversely impacting businesses of BHFL.
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.	BHFL customer reach is achieved through its distribution network & adapts innovative technology solutions to provide a seamless customer journey through its digital platforms and customised product offerings. The Company provides Home Loans and Loan against property to non-prime customers across formal and informal segment.	Positive: Near Prime and Affordable housing business can help the Company to expand the borrowing basket by raising resources through domestic as well as international markets as well as reduce borrowing cost as these borrowings generally come at funds at lower cost.

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	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. (Yes/No)	Yes. (Please refer note below)								
b. Has the policy been approved by the Board? (Yes/No)	Yes, BHFL 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 to the Board for their approval as applicable.								
c. Web Link of the Policies, if available	https://www.bajajhousingfinance.in/policies-and-documents								
2. Whether the entity has translated the policy into procedures. (Yes /No)	Yes. The Company has translated the policies and imbibed the same into procedures and practices in the activities of the Company, as applicable.								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	The Company strives to influence its value chain partners to participate in responsible and sustainable business conduct depending upon their means and resources. BHFL has published comprehensive Suppliers' Code of Conduct which extends to its value chain partners. Further, the Board of BHFL has approved Various policies such as Model Code of Conduct for Direct Selling Agents (DSA) and Direct Marketing Agents (DMA), Fair Practice Code , Vigil Mechanism / Whistle Blower Policy , etc. to enable participation of its value chain partners in fair and ethical conduct of their business.								
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.	All policies have been developed taking into consideration the industry practices and various regulatory requirements and through appropriate consultation with relevant stakeholders. Moreover, BHFL is compliant with ISO 27001-2022 Information security management system.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	BHFL's commitments for FY2026: <ul style="list-style-type: none"> Building a tree plantations portfolio Pure life initiative focusing physical, mental, and emotional wellness for employees. Implementation of Environment, Health, and Safety (EHS) policy ISO 14001 (Environmental Management System) & ISO 45001 (Occupational Health and Safety Management System) certifications Distribution of improved cookstoves in phases to foster clean energy access. 								
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	BHFL continually tracks the performance of various ESG initiatives undertaken. These initiatives are also monitored and reviewed by the ESG Committee for the status and progress. Further, as committed for FY2025: <ul style="list-style-type: none"> BHFL planted more than 10,000 saplings during FY2025. Implemented Suppliers' code of conduct. Replaced CFL lighting with LED systems across offices. Discontinued usage of single use plastic cups, bottles, stirrers, usage of reusable cutleries. Built a financial support system for employees and their families. 								

Note: Detailed list of policies is provided in [Annexure](#)

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 Managing Director' the ESG report at https://www.bajajhousingfinance.in/annual-reports .	
8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Name: Atul Jain Designation: Managing Director DIN: 09561712
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	Yes. The Company has a Board approved ESG Committee led by Managing Director and consisting of senior management personnel of the Company to monitor various aspects of social, environmental, governance and economic responsibilities of the Company. The Company's business responsibility performance is reviewed by the Board of Directors on an annual basis. During the year, the Board of Directors were updated on the sustainable and responsive business conduct initiatives across the Company. In addition, the Board level Risk Management Committee also assesses internal/ external risks pertaining to sustainability as identified.

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	As a practice, all the Board policies of the Company are reviewed annually and placed before the Board of Directors. Further, all other policies (excluding board approved policies) are reviewed periodically or on a need basis by department heads, business heads, senior management personnel/ respective committees. During this assessment, the efficacy of these policies is also reviewed and necessary changes to policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The Company is in compliance with the extant regulations as applicable.																	

	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.	The Company ensures that all the policies are reviewed internally either by the department heads/ domain experts/relevant committee members, as applicable.								

Note: Policies other than those placed on the company's website (<https://www.bajajhousingfinance.in/policies-and-documents>) are internal documents and are not accessible to public.

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)									
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or/human and technical resources available for the task (Yes/No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)	As the answer to question (1) above is 'Yes', this Section is not applicable.								

P1 SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

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PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

Essential Indicators

1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programmes held	Topics /principles covered under the training and its impact	% of persons in respective category covered by awareness programmes
Board of Directors	2	On an ongoing basis, the Company carries out familiarisation programs for its directors, as required under the SEBI Listing Regulations and keeps the 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 significant developments and updates with the Company. A declaration from the Directors and Senior Management's adherence to the Code of Conduct for Directors and Senior Management is communicated to all stakeholders by the Managing Director, through the Annual Report. Additionally, the Board of Directors conducted a comprehensive review of BHFL ESG initiatives, encompassing the following: <ul style="list-style-type: none"> Focus areas of ESG. ESG assurance and reporting. ESG initiatives undertaken. Impact: Ensure directors and KMPs stay abreast of various ESG developments, regulatory updates/changes, and other requisite familiarisation programmes. This empowers and fosters a more informed and strategic contribution.	100%
Key Managerial Personnel			
Employees other than BoD and KMPs	1	BHFL invests substantial time and resources for capacity building of its employees, ensuring they remain at the forefront of the latest trends and technologies. Further, for pertinent topics, periodic programs are carried out through emails, posters / banners (physical and digital) and other modes of internal communication. Such training / awareness programs are on array of topics including Information Security, Cyber security Awareness, Anti Money Laundering and KYC, Dealing in Securities , Code of Ethics & Personal Conduct (CoEPC) , Prevention of Sexual Harassment, Whistle-Blower, Environment & Social Governance (ESG) , Employee Safety - First Aid and Fire Safety, Digital Media, Anti-Phishing, Business Travel Declaration, Code of Conduct, Dealing in Securities, Fair Practice Code. Impact: Enhancing ESG awareness to ensure alignment with BHFL's upheld ethics and values.	100%
Workers		NA	

NA: BHFL is engaged in financial services businesses which does not require services of workers.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format

(Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal preferred? (Yes/ No)
Penalty/ Fine					
Settlement			Nil		
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of the regulatory/ enforcement agencies/ judicial institutions	Brief of the Case	Has an appeal been preferred? (Yes/No)	
Imprisonment					
Punishment			Nil		

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3. Of the instances disclosed in Question 2 above, details of the Appeal/ Revision preferred in cases where monetary or non-monetary action has been appealed

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	Nil

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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. BHFL has zero tolerance towards unethical business practices and prohibits bribery and corruption in any form in all its business dealings through necessary policies, codes, and charters. The [Code of Ethics and Personal Conduct \(CoEPC\)](#) consistently adopted across the Company reiterates our commitment on anti-bribery and covers all full-time or part-time employees, subject to applicable laws / regulations. All employees of the Company must adhere to the commitment of integrity and other responsible business conduct principles laid down in CoEPC. The anti-bribery guidelines cover aspects related to bribes, acceptance of favors, and gifts from Vendors/business partners, interacting with government and regulators, amongst others. Further, it reflects our dedication to operate in an open, fair, and accountable manner.

Further, [Employee Charter - Human Rights Statement](#) adopted by BHFL also lays down the principle and commitment on anti-corruption and bribery.

The principles of anti-corruption and bribery are also captured in the [Code of Conduct for Directors and Senior Management](#), and '[Suppliers' Code of Conduct](#)' for vendors/suppliers.

Some of these policies, codes and charters are available on Company's website: [Policies and Codes](#)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

	FY2025	FY2024
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	NA	NA

Note: Based on the information available with the company.

NA: BHFL is engaged in financial services businesses which does not require services of workers.

6. Details of complaints with regard to conflict of interest

	FY2025		FY2024	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	Nil		Nil	
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	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

BHFL was not subjected to any corruption and conflicts of interest related charge or action by regulators, law enforcement agencies or judicial institutions.

8. Number of days of accounts payables ((Accounts payable *365) / Cost of goods/services procured) in the following format

	FY2025	FY2024
Number of days of accounts payables	25.05	22.54

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9. Open-ness of business

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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:

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Parameter	Metrics	FY2025	FY2024
Concentration of Purchases	Purchases from trading houses as % of total purchases	Nil	Nil
	Number of trading houses where purchases are made from	Nil	Nil
	Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of sales	Sales to dealers / distributors as % of total sales	Nil	Nil
	Number of dealers / distributors to whom sales are made	Nil	Nil
	Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil	Nil
Share of RPTs In	Purchases (Purchases with related parties / Total Purchases)	17.02%	17.46%
	Sales (Sales to related parties / Total Sales)	22.50%	31.80%
	Loans & advances (Loans & advances given to related parties / Total loans & advances)	0.01%	0.01%
	Investments (Investments in related parties / Total Investments made)	0.00%	0.00%

- The Company has a committed line of credit of ₹ 2,500 crore from Bajaj Finance Limited (Holding Company).
- During the year, the Company allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 2,000 crore.

Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the principles during the financial year

Total number of awareness programmes held	Topics/Principles covered under the training	%age of value chain partners covered (by value of business done with such partners) under the awareness programmes
---	--	--

Please refer the note below:

- BHFL strives to influence its value chain partners to participate in the responsible and sustainable business conduct depending upon their means and resources. BHFL carries out awareness and 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.
- BHFL has a Board approved Code of Conduct for its Direct Selling Agents (DSA) and Direct Marketing Agents (DMA).
- BHFL enacted [Suppliers' Code of Conduct](#) which forms part of the service agreements with vendors/suppliers. This requires suppliers to acknowledge and comply with our policies and procedures as a condition of engagement.
- BHFL has incorporated ESG linked commitments into vendor contracts.
- BHFL has invested in online DRA training infrastructure. After completion of online training, recovery personnel appear for a DRA certification test conducted by IIBF. The success rate to clear the exam is around 79%. As on 31 March 2025, 85 participants are DRA certified as per IIBF norms.
- BHFL conducted an awareness series for the stakeholders through social media channel to create awareness on ESG matters and encouraged them to uphold the same, as applicable.

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, BHFL has zero tolerance towards unethical business practices and ensures adherence to relevant principles including in relation to conflict of interest. BHFL has put in place adequate measures and procedures to ensure that no conflict of interest arises involving members of the Board.

- Every Director of the Board is required to make disclosure of his / her interest or concern in other entities (under Section 184 of the Companies Act, 2013) and the parties to which such Director is related to (under Section 2(76) of the Companies Act, 2013 and other laws applicable). Such disclosure is required to be made as and when a director attends the first Board Meeting after his/her appointment on the Board and thereafter at every first Board Meeting held in a financial year as well as within 30 days from any change in the disclosure previously given by such Director.
- Director, if interested or concerned in any transaction(s) or arrangement(s) to be entered into by the Company, does not participate in the discussion and approval of the transaction.

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- BHFL has [Code of Conduct \('CoC'\) for Directors and Senior Management](#) which states 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'. The said CoC requires them to not to engage in any business relationship or activity, which conflicts with their duties towards the Company. All the Board members and Senior Management personnel have affirmed compliance with the Code for the year ended 31 March 2025. A declaration to this effect signed by the Managing Director forms a part of this Annual Report.
- The Company has also put in place necessary mechanism and has formulated a Policy on Materiality of and dealing with Related Party Transactions, keeping in view the requirements under Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the provisions of the Companies Act, 2013. This Policy provides a framework to ensure proper identification, approval, and subsequent modification of Related Party Transactions.
- In addition to the above, BHFL's CoEPC covers potential areas where conflict of interest may be encountered. It also provides specific guidelines on avoiding and dealing with possible conflicts of interest and the requirement to disclose potential conflicts of interest by employees.

Link: Bajaj Housing Finance Investor Relations- [Policies and Codes](#).

PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe

Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively

	FY2025	FY2024	Details of improvements in environmental and social impacts
R&D	-	-	Please refer the below note
Capex	38%	48%	

Note: BHFL is engaged in financial services businesses. The portion of its revenue and capital expenditure that directly contributes to improve the environment and make a social impact largely revolves around its expenses on information technology whereby the entire business cycle and customer interaction is facilitated technologically resulting in reducing paperwork and costs that otherwise would have been incurred in physical interactions.

2. a. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

b. If yes, what percentage of inputs were sourced sustainably?

BHFL provide financial products and services, and thus neither has a sizeable consumption of any raw material nor produces any tangible goods.

BHFL activities are limited to providing financial solutions to serve the needs of the people. BHFL nurtures a culture of conservation of resources and encourages innovations that aid in reducing the dependence on natural resources.

Wherever feasible, BHFL strives to incorporate sustainable sourcing in its operations and ensures that energy efficiency standards are considered during the purchase of electronic equipment such as lighting devices, AC's etc.

BHFL ensures that energy efficiency standards are considered during the purchase of electronic equipment such as lighting devices, AC's etc.

Additionally, BHFL has incorporated ESG related clauses in the vendor contracts as applicable.

3. Describe the processes in place to safely reclaim your products for reusing, recycling, and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste

Given the BHFL operations, Battery waste is considered to be the material type of waste.

Accordingly, the Company disposes battery waste through registered vendor and receives the certificate of disposal from them. During the year, 6.25 Metric Tonnes of battery waste has been disposed of eco-friendly manner.

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

Given the nature of our business, the above is not applicable to our businesses.

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Leadership Indicators

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- 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.
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Given the business operations of BHFL, 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
	NA	

- 3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry)**

Indicate input material	Recycled or re-used input material to total material	
	FY2025	FY2024
	Nil	

- 4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format**

	FY2025			FY2024		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
E-waste	0	0	0	0	0	0
Plastics (including packaging)	Given the business operations of BHFL. The same is not Significant and hence is not tracked.					
Hazardous Waste						
Other waste (battery waste)	0	0	6.25	0	0	0

- 5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category**

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
Given the business operations of BHFL, the same is not applicable.	

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PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**Essential Indicators****1. a. Details of measures for the well-being of employees**

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity Benefits*		Day Care facilities*	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent employees										
Male	1,844	1,844	100%	1,844	100%	NA	NA	1,844	100%	1,844	100%
Female	133	133	100%	133	100%	133	100%	NA	NA	133	100%
Total	1,977	1,977	100%	1,977	100%	133	100%	1,844	100%	1,977	100%
	Other Than permanent employees										
Male											
Female						NA					
Total											

*The percentage disclosed is calculated basis total female employee's headcount covered for maternity benefits and total male employee's headcount covered for paternity benefits respectively.

#Wherever applicable under regulations. Day care facilities are provided.

b. Details of measures for the well-being of workers

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits*		Paternity Benefits*		Day Care facilities*	
		Number (B)	% (B / A)	Number (C)	% (C / A)	Number (D)	% (D / A)	Number (E)	% (E / A)	Number (F)	% (F / A)
	Permanent Workers										
Male											
Female	NA										
Total											
	Other Than permanent Workers										
Male											
Female	NA										
Total											

NA: BHFL is engaged in financial services businesses which does not require services of workers.

c. Spending on measures towards well-being of employees and workers (including permanent and other than permanent) in the following format

	FY2025*	FY2024
Cost incurred on well-being measures as a % of total revenue of the company	0.04%	0.06%

*Includes maternity and paternity benefits.

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY2025			FY2024		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	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 employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	NA	Yes	100	NA	Yes
Gratuity*	100	NA	Yes	100	NA	Yes
ESI	100	NA	Yes	100	NA	Yes
NPS*	100	NA	Yes	100	NA	Yes

Note: Represents benefits provided to all the employees who are eligible/have opted for the said retirement benefits.

NA: BHFL is engaged in financial services businesses which does not require services of workers.

*The amount is not deducted from salary.

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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 Person with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard

BHFL has adopted [Code of Ethics and Personal Conduct \(CoEPC\)](#) which promotes equal employment opportunity and non-discrimination along with mutual respect. Additionally, BHFL through its Equal Employment Opportunity and Non-discrimination practices and [Employee Charter-Human Rights Statement](#) prohibits any kind of discrimination against any person with disability in any matter related to employment as per the Right of Person with Disabilities Act.

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

Yes, BHFL has adopted [Code of Ethics and Personal Conduct \(CoEPC\)](#) which promotes equal employment opportunity and non-discrimination along with mutual respect.

Additionally, BHFL has adopted Equal employment opportunity and non-discrimination practices in accordance with the provisions of the Rights of Person with Disabilities Act, 2016 and provides a framework and commitment towards the empowerment of persons with disabilities.

BHFL through its [Employee Charter - Human Rights Statement](#) prohibits discrimination against any person with disability in any matter related to employment.

As enshrined in the '[Responsible and Sustainable Business Conduct policy](#)', BHFL provides 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.

These practices promote an environment where everyone in the Company gets an equal opportunity to excel and grow in accordance with the individual's ability and suitability to perform in his/her area of work. The above policies are available on our website : [Policies and Codes](#)

5. Return to work and Retention rates of permanent employees and workers that took parental leave

	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	63%	NA	NA
Female	100%	100%	NA	NA
Total	100%	68%	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

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 Employees	<p>Yes. BHFL strives to create a culture which is fair, open, and transparent and where employees can openly present their views.</p> <p>BHFL transparently communicates its policies and practices such as plans, compensation, performance metrics, performance pay grids and calculation, career enhancements, compliance, and other processes with all employees in a non-discriminating manner.</p> <p>BHFL has a Board approved Disciplinary Actions and Grievance Redressal Policy and Board delegated Disciplinary Action Committee (DAC) to address the grievances of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. BHFL has zero tolerance towards any noncompliance of these principles.</p> <p>BHFL has 'Code of Ethics and Personal Conduct' (CoEPC), 'Vigil Mechanism / Whistle Blower Policy' and 'Prevention of sexual harassment at workplace' framework serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation.</p> <p>Further, BHFL has a dedicated helpline portal for employees to report their concerns.</p>
Other than Permanent Employees	Nil
Permanent Workers	NA
Other than Permanent Workers	NA

NA: BHFL is engaged in financial services businesses which does not require services of worker.

Section A

Section B

Section C

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY2025			FY2024		
	Total employees / workers in respective category (A)	No. of employees / workers in respective category, who are part of association(s) or Union (B)	% (B/A)	Total employees / workers in respective Category (C)	No. of employees / workers in respective category, who are part of association (s) or Union (D)	% (D/C)
Total Permanent Employees	The Company does not have any employee trade union and is not engaged or involved in any collective bargaining agreement, although it allows all employees to exercise the lawful right to 'freedom of association'.					
Male						
Female						
Total Permanent Workers	NA					
Male						
Female						

NA: BHFL is engaged in financial services businesses which does not require services of workers.

8. Details of training given to employees and workers

Category	Total (A) *	FY2025				Total (D)*	FY2024			
		On Skill upgradation		On Health and safety measures			On Skill upgradation		On Health and safety measures	
		No. (C)	% (C / A)	No. (B)	% (B / A)		No. (F)	% (F / D)	No. (E)	% (E / D)
Employees										
Male	1,844	631	34%	1,844	100%	2,196	739	34%	572	26%
Female	133	108	81%	133	100%	176	52	30%	54	31%
Total	1,977	739	37%	1,977	100%	2,372	791	33%	626	26%
Workers										
Male	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA

Note: This dataset does not includes training provided to employees who left the firm during FY2025.

NA: BHFL is engaged in financial services businesses which does not require services of workers.

9. Details of performance and career development reviews of employees and workers

Category	FY2025			FY2024		
	Total (A)*	No. (B)	% (B / A)	Total (C)*	No. (D)	% (D / C)
Employees						
Male	1,688	1,688	100%	2,133	2,133	100%
Female	122	122	100%	170	170	100%
Total	1,810	1,810	100%	2,303	2,303	100%
Workers						
Male	NA	NA	NA	NA	NA	NA
Female	NA	NA	NA	NA	NA	NA
Total	NA	NA	NA	NA	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

*The percentage has been computed on the eligible employees due for annual performance.

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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?

BHFL trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills for employees. Corporate offices and most of our branch offices are assessed in regards with the electrical systems safety, fire safety, building stability and working conditions, ventilation, hygiene and sanitation, emergency exits, first aid box, etc.

Physical and mental wellbeing of the employees is at the core of BHFL human resource practices.

For more information, please refer to Human Capital Management section of ESG Report at <https://www.bajajhousingfinance.in/annual-reports>.

b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

BHFL conducts Safety practices on a periodic or on a need basis wherein parameters related to fire safety, housekeeping, electrical safety, and emergency preparedness are assessed.

c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks

Yes. BHFL is engaged in financial services business which does not require services of workers. BHFL has a dedicated HR Care helpline portal for its employees. They can use this portal to register any work-related incidents or hazard and risks.

d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services?

Yes. BHFL has insured its employees under group term insurance, health insurance and accidental insurance policies. For more information, please refer to Human Capital Management section of ESG Report; <https://www.bajajhousingfinance.in/annual-reports>.

11. Details of safety related incidents, in the following format

Safety Incident/Number	Category	FY2025	FY2024
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	Nil	Nil
	Workers	NA	NA
Total recordable work-related injuries	Employees	Nil	Nil
	Workers	NA	NA
No. of fatalities	Employees	Nil	Nil
	Workers	NA	NA
High consequence work-related injury or ill-health (excluding fatalities)	Employees	Nil	Nil
	Workers	NA	NA

NA: BHFL is engaged in financial services businesses which does not require services of workers.

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

	FY2025			FY2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	Nil	Nil		Nil	Nil	
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	Please refer the note below
Working Conditions	

Note: BHFL strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees. Offices across the Company are internally assessed periodically through internal assessments for various aspects of health and safety measures.

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

No significant corrective actions pertaining to above mentioned parameters was necessitated by the Company during the year under review.

Leadership Indicators**1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (B) Workers**

- A. Employees – Yes, BHFL extends various financial support and compensatory package in the event of death of an employee regardless of whether death occurred during work or otherwise. Some of these include one-time lumpsum payment from iCare fund, for enrolled employees full month's pay, Group Term Life insurance assured amounts, employment opportunity to immediate family member of the deceased employee (if required), etc.

Additional details with respect to the same are provided in 'Human Capital Management' section of ESG report <https://www.bajajhousingfinance.in/annual-reports>.

- B. Workers – BHFL is engaged in financial services business which does not require services of workers.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

BHFL is committed to foster responsible and sustainable business practices across its value chain partners, tailored to their capacities and resources. To uphold this commitment, BHFL employs various measures to ensure that its high-risk value chain partners fulfil their statutory obligations by deducting and remitting dues. These measures encompass contractual agreements, rigorous reviews, audits of value chain partners, and seeking confirmations of compliance, all adapted to the specific nature of the products or services provided.

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 / are 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	
	FY2025	FY2024	FY2025	FY2024
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

Note: BHFL is not engaged in financial services businesses which does not require services of workers.

4. Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment?

Yes, the Company has retirement policy which aims to define terms of retirement for employees and conditions for subsequent engagement opportunities with the Company. BHFL 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.

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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	Nil
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

BHFL has a detailed vendor audit check list as part of its outsourcing compliance framework that is designed to undertake risk assessment of the vendors. Basis the assessment vendors are classified as satisfactory, improvement opportunity and needs improvement.

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

Individuals or a group of individuals, agencies, institutions who are interested or impacted by the activities of the company's businesses and vice versa now or in the future are identified as key stakeholders by the Company. The key stakeholders thus identified are customers, investors, lenders, depositors, government, shareholders, regulators, value chain partners, employees, and society.

BHFL understands the impact of its policies, decisions, products and services, and associated operations on the key stakeholders. In line with its policies, practices, and processes, BHFL engages with its stakeholders and strives to resolve differences with them in a fair, equitable and consistent manner and where warranted takes corrective measures.

BHFL also engages with relevant stakeholders for enhancing 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 & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ Other-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Shareholder and Investor	No	Multiple channels including - • Quarterly investors' presentations and calls • Annual General Meeting • Press releases • Disclosures on stock exchanges • Participation in investor conferences • Investors' grievance cell • Social media • Website • Emails/letters, etc.	• Annual and Quarterly • Need-based	To inform about the performance major developments ESG initiatives and other relevant updates regarding BHFL.
Customer	No	Multiple channels including: • Customer satisfaction surveys • Customer feedback • Regular interaction with customers • Customer helpline • Customer grievance cell • Social Media channels • Email /SMS • Website/App	• Periodic • On-going • Need -based	Servicing across the lifecycle of the customer, redressal to queries / grievances that the customer may have, VOCs and surveys, product/ service offerings, ESG initiative and periodic communication to provide update on various lifecycle events over digital channel.

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P4	Stakeholder Group	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Other	Frequency of engagement (Annually/Half yearly/Quarterly/ Other-please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
P5	Government and Regulators	No	Multiple channels including: <ul style="list-style-type: none"> • Regulatory filings • Compliance Statements • Meetings, audits • Letters • E-mails 	<ul style="list-style-type: none"> • Periodic • Need based 	To provide recommendations or feedback on draft policies status on adherence to regulatory compliance, and make representations on various subjects before regulators and associations for advancement and improvement of housing finance industry in India.
P6	Employees	No	Multiple channels including: <ul style="list-style-type: none"> • ESAT survey • Human Resources Contact Centre (HRCC) • HR pulse assessments • Townhall • Performance appraisals, Rewards and recognition • Email related to trainings and awareness • Employee engagement initiative 	<ul style="list-style-type: none"> • On-going • Need based 	To create a thriving, safe and inclusive workplace for its employees and provide merit-based opportunities for professional development and growth. Additionally, periodic communication to employees on Company's initiatives and policies awareness.
P7	Value chain Partner	No	Multiple channels -physical and digital	<ul style="list-style-type: none"> • On-going • Need based 	To strengthen collaboration, enhance overall value delivery, and to build strategic, mutually beneficial partnerships across the value chain.
P8	Society	Yes	Multiple channels including: <ul style="list-style-type: none"> • Media and Press Releases • Annual Reports • CSR initiatives • Financial Inclusion 	<ul style="list-style-type: none"> • Frequent • Need based 	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.
P9					

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

BHFL to the extent considered necessary and permitted by regulations, ensures 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 BHFL business activities. Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement.

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 is provided regular updates on feedback received from stakeholders, these include, but are not limited to:

- The Company's Board-level Customer Service Committee
- The Corporate Social Responsibility Committee of the Board
- The Risk Management Committee of the Board
- The Board approved ESG Committee

As a matter of full transparency, BHFL provides medium term guidance on Key financial indicators with various stakeholders through investor presentations.

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2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics. If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

Yes. The Company personnel interact with various stakeholders to understand the evolvement and relevance of ESG topics, their impact, and expectations from the Company. Based on such interactions, BHFL has enhanced its reporting on business responsibility and started certain new initiatives. The Company believes that it is still learning the evolving aspects of ESG and lays significant importance to such interactions.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups

BHFL through its [Corporate Social Responsibility \(CSR\) Policy](#) has taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalized, poor, needy, deprived, under-privileged and differently abled persons. With the guidance of our Board-governed [Corporate Social Responsibility \(CSR\) policy](#), BHFL remains committed to creating value for marginalized communities, through its well-structured programs, contributing to their well-being and sustainable development.

PRINCIPLE 5: Businesses should respect and promote human rights

Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format

Category	FY2025			FY2024		
	No. of employees / workers			No. of employees / workers		
	Total (A)	covered (B)	% (B/A)	Total (C)	covered (D)	% (D/C)
Employees						
Permanent	1,977	1,977	100%	2,372	581	25%
Other than Permanent	Nil	Nil	Nil	Nil	Nil	Nil
Workers						
NA						

NA: BHFL is engaged in financial services businesses which does not require services of workers.

Note: Any Employee who works in the Company must adhere to the commitment to integrity and ensure the principles laid down in [Code of Ethics and Personal Conduct \(COEPC\)](#) which amongst other things includes principles of mutual respect, privacy, equal opportunities and non-discrimination, health, safety and environment, prevention of sexual harassment.

Our commitment to employees' rights is enshrined in the [Employee Charter - Human Rights Statement](#) of BHFL- 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.

BHFL runs ESG awareness programs for its employees to create awareness on ESG initiatives (including human rights) for its employees through use of social media as well as internal communication channels.

2. Details of minimum wages paid to employees and workers, in the following format

Category	FY2025					FY2024				
	Equal to Minimum Wage					Equal to Minimum Wage				
	Total (A)	No. (B)	% (B / A)	No. (C)	% (C / A)	Total (D)	No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	1,844	0	0	1,844	100%	2,196	0	0	2,196	100%
Female	133	0	0	133	100%	176	0	0	176	100%
Other than Permanent Employees										
Nil										
Workers										
NA										

NA: BHFL engaged in financial services businesses which does not require services of workers.

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Section C

3. Details of remuneration/salary/wages

a. Median remuneration / wages

	Male		Female	
	Number	Median remuneration/salary/ wages of respective category (₹ in crore)	Number	Median remuneration/salary/ wages of respective category (₹ in crore)
BOD-Whole-time Director/Executive Director	1	28.24	0	0
BOD-non-executive Directors	5	0.81	1	0.78
Key Managerial Personnel	2	2.18	0	0
Employees other than BoD and KMP	2,629	0.11	206	0.10
Workers	NA	NA	NA	NA

The above remuneration is inclusive of fair value of options granted as per black Scholes model.

NA: BHFL is engaged in financial services businesses which does not require services of workers.

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

	FY2025	FY2024
Gross wages paid to females as % of total wages	5.98%	5.86%

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.

5. Describe the internal mechanisms in place to redress grievances related to human rights issues?

While BHFL aims to not have a situation that leads to any grievance: should such a situation arise, BHFL has a well-defined Grievance redressal mechanism for its employees which are governed through [COEPC, Employee Charter-Human Rights Statement, Disciplinary Actions and Grievance Redressal Policy, Whistle Blower/Vigil Mechanism Policies](#). A formal grievance mechanism is available to all employees, to report or raise their concerns confidentially and anonymously, without fear of any retaliation. Additionally, We have dedicated channels such as HR Pulse & SAMPARK (Monthly Online Sessions) wherein all the grievances, emergencies and incidents can be reported.

BHFL 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.

BHFL has a Board approved [Disciplinary Actions and Grievance Redressal Policy](#) and Board delegated Disciplinary Action Committee (DAC) to address the grievance of its employees. It enables employees to work without fear of prejudice, gender discrimination and harassment. BHFL has zero tolerance towards any non-compliance of these principles.

BHFL 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, BHFL has aimed to provide reasonable safeguards for the benefit of employees at the workplace, while having due regard for their privacy and dignity. BHFL 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.

6. Number of Complaints on the following made by employees and workers

	FY2025			FY2024		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year.	Pending resolution at the end of year	Remarks
Sexual Harassment	0	0		0	0	
Discrimination at workplace	0	0		0	0	
Child Labour	0	0		0	0	
Forced Labour / Involuntary Labour	0	0		0	0	
Wages	0	0		0	0	
Other human rights related issues	0	0		0	0	

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7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	FY2025	FY2024
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	0	0
Complaints on POSH as a % of female employees / workers	0%	0%
Complaints on POSH upheld	0	0

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-Human Rights Statement](#), [Disciplinary Actions and Grievance Redressal Policy](#), [Vigil Mechanism / Whistle Blower Policies](#). BHFL prohibits retaliation against any employee who reports in good faith any suspected or potential violation of the Code of Ethics and Personal 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 BHFL, sharing a possible 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. It is ensured 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.

BHFL also prohibits retaliation for using any of BHFL'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. BHFL appreciates the inherent, universal, indivisible, inalienable and interdependent nature of human rights.

BHFL has a [Suppliers' Code of Conduct](#) and adheres to the same, that emphasizes the importance of human rights. This Code sets clear expectations for suppliers to respect and uphold fundamental human rights throughout their operations. It outlines specific guidelines to ensure that labour practices are ethical, safe, and non-discriminatory, promoting fair treatment and dignity for all individuals involved in the supply chain.

Accordingly, BHFL has included ESG specific clauses and reference of Suppliers' Code of Conduct, which covers the general human rights parameters in the vendor contracts.

10. Assessments for the year

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	BHFL expects and strives to influence its employees to adhere and respect human rights values and principles. The HR and admin team interacts with employees at branches to assesses any work and human rights related issues.
Forced/involuntary labour	
Sexual harassment	
Discrimination at workplace	
Wages	
Others – please specify	

11. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 10 above

Based on its ongoing reviews of human resource practices BHFL did not find any significant risk/ concerns in the above areas during the year under review and accordingly no corrective actions were warranted.

P1 Leadership Indicators

P2 1. Details of a business process being modified / introduced as a result of addressing human rights
P3 grievances/complaints

P4 There have been no significant human rights grievances / complaints warranting modification /
P5 introduction of business processes. However, we have instituted [Suppliers' Code of Conduct](#), [CoEPC](#),
P6 [Employee Charter-Human Rights Statement](#) that outlines our commitment to Human Rights.

P7 2. Details of the scope and coverage of any Human rights due diligence conducted

P8 BHFL has a robust mechanism to track human rights related queries and grievances raised by the
P9 employees. All complaints raised are tracked and considered for timely resolution. In addition, BHFL expects and strives to influence its stakeholders to adhere to the same values, principles and business ethics upheld by the Company in all their dealings.

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?

BHFL has over the years made a conscious effort to digitize its customer service framework. The Company has made a considerable headway in minimising in-person customer interactions. It has mapped the entire lifecycle of the customer interactions and made available all possible customer requests, such as, soft copy of agreements, repayment schedules, yearly interest certificates, statements of accounts, loan closure and no dues certificates, release of mortgages, etc., in a digital mode. These service requests being fulfilled digitally obviate the need for customer visits to BHFL offices.

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	Refer note below
Discrimination at workplace	
Child Labour	
Forced Labour / Involuntary Labour	
Wages	
Others – please specify	

Note: BHFL expects and strives to influence its value chain partners to adhere to the same values, principles and business ethics upheld by BHFL in all its dealings. No specific assessment in respect of value chain partners has been carried out.

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above

BHFL has a detailed vendor audit check list as part of its outsourcing compliance framework that is designed to undertake risk assessment of the vendor.

PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format

Parameter	Unit of measurement	FY2025	FY2024
From Renewable sources			
Total electricity consumption (A)	Gigajoules	-	-
Total fuel consumption (B)	Gigajoules	-	-
Energy consumption through other sources (C)	Gigajoules	-	-
Total energy consumption from renewable sources (A+B+C)	Gigajoules	-	-
From non - renewable sources			
Total electricity consumption (D)	Gigajoules	10,528.78	10,742.50
Total fuel consumption (E)	Gigajoules	2,679.58	4,893.58

	Parameter	Unit of measurement	FY2025	FY2024
P1				
P2	Energy consumption through other sources (F)	Gigajoules	-	-
P3	Total energy consumption from non-renewable sources (D+E+F)	Gigajoules	13,208.35	15,636.08
P4	Total energy consumed (A+B+C+D+E+F)	Gigajoules	13,208.35	15,636.08
P5	Energy intensity per rupee of turnover (Total energy consumed / Revenue from operations)	Per crore of Consolidated Total Revenue from Operations	1.38	2.05
P6				
P7				
P8	Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed / Revenue from operations adjusted for PPP)	Per crore of Consolidated Total Revenue from Operations adjusted for PPP	28.50	45.98
P9				
	Energy intensity in terms of physical output		-	-
	Energy intensity (optional) – (Total energy consumption/consolidated total loan portfolio)		0.13	0.20

Note: For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025.

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. During the year, an independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

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

This is not applicable to BHFL given the nature of its business.

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY2025	FY2024
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 kiloliters)	24,376	30,528
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	3.00	4.01
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption / Revenue from operations adjusted for PPP)	52.59	89.77
Water intensity in terms of physical output	-	-
Water intensity (optional) – (Total water consumption/ consolidated total loan portfolio)	0.24	0.38

- The quantity of water (in litres) per employee derived from the available data is in line with CGWA Guidelines- Estimation of Water Requirement for Drinking and Domestic Use, which provides for 45 litres per person per working day.
- Total water consumption is derived considering total average head count, total working days and water requirement per person per working day as specified in point above.
- For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025.

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. During the year, an independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

4. Provide the following details related to water discharged

Parameter	FY2025	FY2024
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)	-	-

Note: Currently we do not monitor water discharge.

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

5. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation

Zero liquid discharge is not applicable to BHFL given the nature of its business.

6. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY2025	FY2024
NOx	Please refer to the note below		
Sox			
Particulate matter (PM)			
Persistent organic pollutants (POP)			
Volatile organic compounds (VOC)			
Hazardous air pollutants (HAP)			
Others-Please specify			

Note: As a financial services company, air emissions from our operations are not significant. However, we do monitor our GHG emissions which have been appropriately disclosed in this Report.

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

P1 **7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in**
P2 **the following format**

P3	Parameter	Unit	FY2025	FY2024
P4	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	205.83	377.31
P5	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	2,160.11	2128.20
P6	Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Per crore of Consolidated Total Revenue from operations	0.25	0.33
P7	Total Scope 1 and Scope 2 emissions intensity per rupee of turnover adjusted for purchasing power parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Per crore rupee of turnover adjusted Purchasing Power Parity	5.10	7.37
P8	Total Scope 1 and Scope 2 emission intensity in terms of physical output			
P9	Total Scope 1 and Scope 2 emission intensity (Total energy consumption/consolidated total loan portfolio)	Per crore of consolidated total consolidated loan portfolio	0.02	0.03

Note: For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025.

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. During the year, independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

8. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details

Yes, BHFL remains committed to implement meaningful and system-driven changes to reduce the green house (GHG) intensity of its operations. BHFL has undertaken various projects on environmental sustainability Such as:

1. Reducing paper consumption: It has been an endeavor of BHFL over last years to keep reducing paper consumption across all its business operations. BHFL has reduced paper usage by 15 lakh sheets over the year.
2. Planted 10,060 saplings in FY2025.

9. Provide details related to waste management by the entity, in the following format

Parameter	FY2025 (in metric tonnes)	FY2024 (in metric tonnes)
Total waste generated (in metric tonnes)		
Plastic waste (A)	-	-
E-waste (B)	6.25	-
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any (G) DG Set Oil	-	-
Other Non-hazardous waste generated (H). Please specify if any (Break-up by composition i.e. by materials relevant to the sector)	-	-
Total (A+B+C+D+E+F+G+H)	6.25	-

Section A

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Section C

		FY2025 (in metric tonnes)	FY2024 (in metric tonnes)
P1	Parameter		
P2	Waste intensity per rupee of turnover (Total waste generated / Revenue from operations)	0.00	-
P3	Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated / Revenue from operations adjusted for PPP)	0.00	-
P4	Waste intensity in terms of physical output	-	-
P5	Waste intensity (optional) (Total energy consumption/Consolidated total loan portfolio)	-	-
P6	For each category of waste generated, total waste recovered through recycling-using or other recovery operations (in metric tonnes)		
P7	Category of waste	-	-
P8	(i) Recycled	-	-
P9	(ii) Re-used	-	-
	(iii) other recovery operations	-	-
	Total	-	-
	For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)		
	Category of waste	-	-
	(i) Incineration	-	-
	(ii) Landfilling	-	-
	(iii) Other disposal operations	-	-
	Total	-	-

Note: Given the nature of business, the information with respect to the relevant category of waste has been provided above.

For the purpose of calculation of intensity, conversion factor of 20.66 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2025.

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. During the year, independent reasonable assurance has been carried out by SGS India Private Limited for FY2025

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 Company. 6.25 Metric Tonne of battery waste generated has been disposed through authorised recyclers in FY2025.

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

Sr. No	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any
			Nil

12. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
			NA		

P1 **13. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India;**
P2 **such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of**
P3 **Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all**
P4 **such non-compliances, in the following format**

P5	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
P6	S. No.			
P7				
P8				
P9				

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:

- (i) Name of the area:
- (ii) Nature of operations:
- (iii) Water withdrawal, consumption, and discharge in the following format

Parameter	FY2025	FY2024
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)		
Water intensity per rupee of turnover (Water consumed/turnover)		
Water intensity (optional) -the relevant metric may be selected by the entity		
Water discharge by destination and level of treatment (in kilolitres)		
(i) Into Surface water		
No treatment -		
With treatment - please specify level of treatment		
(ii) Into Groundwater		
No treatment -		
With treatment - please specify level of treatment		
(iii) Into Seawater		
No treatment -		
With treatment - please specify level of treatment		
(iv) Sent to third parties		
No treatment -		
With treatment - please specify level of treatment		
(v) Others		
No treatment -		
With treatment - please specify level of treatment		
Total water discharged (in kilolitres)		

Given the nature of business, the same is not relevant

Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency

No

Section A

Section B

Section C

2. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY2025	FY2024
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	1,406.85	-
Total Scope 3 emissions per crore of consolidated total revenue from operations	Per crore of Consolidated Total operations	0.15	-
Total Scope 3 emission intensity (optional) – (Total energy consumption/consolidated total loan portfolio)	Per Crore of Consolidated Total Loan Portfolio	-	-

For details please refer to GHG Assurance report.

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. During the year, independent reasonable assurance has been carried out by SGS India Private Limited for FY2025.

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

Not Applicable

4. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
Please refer the note below			
S. No	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
1.	Tree Plantation	To restore the environment, promote biodiversity, and mitigate climate change, BHFL spearheaded a tree plantation initiative that has seen the successful planting of more than 10,000 saplings during the year.	Making a cleaner environment by absorption of Carbon dioxide.
2.	Digitalisation	Through various initiatives, BHFL in the last year, reduced consumption by approximately 15 lakh sheets of paper.	Saving approximately 180 trees over the last year.
3.	Recycling/Safe disposal of Battery waste	Safely disposed through authorised vendors.	BHFL has safely disposed of 6.25 tonnes of battery waste in the last year.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link

Yes. The Company has business continuity strategy and framework (BCP) which is also compliant with applicable regulatory requirements and includes disaster management protocols. BCP envisages likely disruptive events, their probability and their impact on business operations which is assessed through business impact analysis. It aims to eliminate or minimise any potential disruption to critical business operations.

For further details please refer to "Information Security, Cyber Security and Fraud Controls" section of our ESG Report <https://www.bajajhousingfinance.in/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

BHFL expects and influences all its value chain partners to follow extant environment regulations as may be applicable to them. BHFL periodically creates awareness amongst value chain partners about importance of environment.

P1 **7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts**

P2 Currently, we do not assess environmental impacts of our value-chain partners. However, we encourage

P3 our value-chain partners to proactively align their business operations to environmental best-practices.

P4

P5 **8. How many Green Credits have been generated or procured**

P6 a. By the listed entity

P7 b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners

P8 Not Assessed.

P9

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations
- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers associations	Company Name	Reach of trade and industry chambers / associations (State / National)
	BHFL is not affiliated with any trade and industry chambers/associations.		

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
Please refer the note below		

Note: BHFL had no adverse orders from any regulatory authorities relating to anticompetitive activities. Hence, no corrective action was necessitated by the BHFL 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					

Note: BHFL engages with Government agencies and regulators and remain steadfastly committed to providing timely and accurate information, suggestions and recommendations, feedback on draft policies, etc. as and when required. During such interactions, the company also discusses areas of focus and concerns.

BHFL participation in the public and regulatory policy development process encompasses providing suggestions on draft notifications, and interactions with various bodies / regulators on matters significant to the industry and the society at large.

PRINCIPLE 8: Businesses should promote inclusive growth and equitable development

Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NA					

Section A

Section B

Section C

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format

Sr. No	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amounts paid to PAFs in the FY (In ₹)
				NA		

3. Describe the mechanisms to receive and redress grievances of the community

The Company has various mechanisms to receive and redress grievances of various stakeholders. Details of such mechanisms and policies is detailed in CSR policy disclosed on the [website](#).

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers

	FY2025	FY2024
Directly sourced from MSMEs/ small producers	7.52%	3.00%
Directly from within India	99.73%	99.78%

5. Job creation in smaller towns – Disclose wages paid to persons employed (including employees or workers employed on a permanent or non-permanent / on contract basis) in the following locations, as % of total wage cost

Location	FY2025	FY2024
Rural	0.03%	0.04%
Semi-urban	0.95%	1.38%
Urban	11.78%	13.40%
Metropolitan	87.23%	85.18%

(Places have been categorised as per RBI Classification System-rural/ semi-urban/ urban/ metropolitan.)

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
	NA

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In crore)
1	Andhra Pradesh	Visakhapatnam	1,760,000
2	Maharashtra	Gadchiroli	55,719
3	Rajasthan	Sirohi	59,540
4	Maharashtra	Nandurbar	5,91,971
5	Bihar	Gaya	2,995,287
6	Maharashtra	Nandurbar	1,458,294

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised /vulnerable groups? (Yes/No)

(b) From which marginalised /vulnerable groups do you procure?

(c) What percentage of total procurement (by value) does it constitute?

Not Applicable

P1 **4. Details of the benefits derived and shared from the intellectual properties owned or acquired by**
P2 **your entity (in the current financial year), based on traditional knowledge**

P3 S. No.	P3 Intellectual Property based on traditional knowledge	P3 Owned/ Acquired (Yes/No)	P3 Benefit shared (Yes / No)	P3 Basis of calculating benefit share
P4				
P5		NA		

P6 **5. Details of corrective actions taken or underway, based on any adverse order in intellectual**
P7 **property related disputes wherein usage of traditional knowledge is involved**

P8 Name of authority	P8 Brief of the Case	P8 Corrective action taken
P9		No corrective actions pertaining to above mentioned parameters was necessitated by BHFL during the year under review.

6. Details of beneficiaries of CSR Projects

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Child – Education	20,857	Please refer note below
2.	Child – Health	2,656	
3.	Child – Prevention of Mortality	3,000	
4.	Child – Protection	15,432	
5.	Others-PWD	336	
6.	Youth – PWD – Skilling	622	
7.	Youth – Skilling for employment	15,867	
8.	Youth – Skilling for enterprise/Self-employment	795	

Note: The number of beneficiaries is represented for the entire project life cycle and not for the financial year. Additionally, all the CSR projects are undertaken for vulnerable and marginalised groups.

PRINCIPLE 9 : Businesses should engage with and provide value to their consumers in a responsible manner

Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback

Timely and appropriate customer grievance redressal is imperative. In fact, we aim to reduce the grievances learning from our experiences, through root cause analysis. BHFL dealings with its customers are professional, fair, and transparent. BHFL has a robust customer services governance framework and same are enumerated under "Customer Obsession" section of ESG report at <https://www.bajajhousingfinance.in/annual-reports>.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Transparency and fairness in dealings with customers is followed across BHFL. None of the products withhold any relevant information needed by the customers to make informed decisions.
Safe and responsible usage	
Recycling and/or safe disposals	

3. Number of consumer complaints in respect of the following

	FY2025			FY2024		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
Data Privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber- security	0	0		0	0	
Delivery of essential services						
Restrictive Trade practices	0	0		0	0	
Unfair Trade practices	0	0		0	0	
Others	197	0		308	Nil	

Section A

Section B

Section C

P1

Some of the initiatives in this regard are:

P2

• BHFL, through its charters and policies etc, communicate customer rights, company commitments, grievance redressal mechanism and ombudsman scheme, as applicable. These policies and communications emphasise our commitment to fair practices by maintaining transparency in products and services offered.

P3

P4

P5

P6

• Customer grievances are also reviewed with focus on identification of root cause, corrective action plans and customer service initiatives.

P7

4. Details of instances of product recalls on account of safety issues

P8

P9

	Number	Reasons for recall
Voluntary recalls		
Forced recalls		NA

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy

Yes. BHFL 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 Company has 'Data Privacy Policy' in place and is also compliant with ISO 27001:2022 Information security management system. Applicable regulatory framework and guidelines.

For more details, please refer to section on "Information security, cyber security and fraud controls" section of the ESG report at <https://www.bajajhousingfinance.in/annual-reports>.

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 or regulatory action has been levied or taken on the above-mentioned parameters.

7. Provide the following information relating to data breaches

- Number of instances of data breaches** – 0
- Percentage of data breaches involving personally identifiable information of customers** – 0
- Impact, if any, of the data breaches** – NA

Leadership Indicators

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available)

BHFL has a well-defined grievance redressal mechanism covering all products and services offered. There are multiple self-help and assisted channels available to customers for redressal of their queries. All customer queries received across all channels are recorded in the BHFL Customer relationship management system and customers are updated on the resolution provided.

There is an escalation hierarchy basis which the customers can escalate to the next level. The details of the various channels and the escalation hierarchy is displayed on Company website, App and branches.

Further, in line with RBI guidelines, the Company has incorporated the role of an Internal Ombudsman, who is an independent authority to review the grievances raised by customers.

BHFL has in place a dedicated team to ensure continuous study and solutioning of customer complaints. The prime objective of the team is to reduce customer issues through a combination of data analysis, customer interactions and there by identifying root causes.

P1 **2. Steps taken to inform and educate consumers about safe and responsible usage of products and/**
P2 **or services**

P3 As a responsible corporate, it is imperative to not just do business with customers, but also educate them
P4 and make them more aware of what could be good or bad for them, frauds, addressing their questions on
P5 financial products, etc.

P6 BHFL has mechanisms to inform customers on usage of products and services offered. Continuous and
P7 contextual communication across the customer lifecycle through – press releases, yearly customer
P8 engagements, company website and blogs, social media campaigns, use of video content, feature based
P9 audio-visual content for ease of understanding, etc. have helped us educate and create awareness
amongst our customers and society at large.

Further, please refer to 'Customer Obsession' section of ESG report at <https://www.bajajhousingfinance.in/annual-reports>.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services

Technology enabled seamless customer experience has 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 and stay the same are simplification of processes, ease of use and quick and appropriate response. In the current technology age, information security, cyber security, and fraud controls have become extremely critical. 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.

In line with the RBI regulation, the Company shall give ninety days advance notice in newspaper before reallocation or closure of branch office.

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?

Transparency and fairness in dealings with customers is followed across the Company. None of the products withhold any relevant information needed by the customers to make informed decisions. BHFL through its charters, policies, etc. communicate the customer rights, company commitments and grievance redressal mechanism and ombudsman scheme, as applicable which emphasise our commitment to fair practices by maintaining transparency in products and services offered.

Annexure 1: List of Policies

Sr. No	Principle wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Responsible and Sustainable Business Conduct Policy [#]	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Environmental Policy [*]	Y	Y		Y		Y		Y	Y
3	Code of Conduct to regulate, monitor and report trading by designated persons [*]	Y								
4	Fair Practices Codes [#]	Y			Y					Y
5	Prevention of sexual harassment at workplace (prevention, prohibition & redressal) [#]	Y		Y		Y				
6	Disciplinary action and grievance redressal policy [#]	Y		Y		Y				
7	Code of Conduct for DSA and DMA [*]	Y				Y				Y
8	Fraud Reporting and Monitoring Policy [*]	Y								Y
9	Information Security Policy [*]	Y								Y
10	Cyber Security Policy [*]	Y								Y
11	Data Privacy Policy [*]	Y								Y
12	Outsourcing Policy [*]	Y								Y
13	Vigil mechanism/Whistle blower policy [#]	Y		Y		Y				
14	Know Your Customer (KYC) Policy [*]	Y								Y
15	Corporate Social Responsibility (CSR) Policy [#]	Y			Y				Y	
16	Policy dealing with leak or suspected leak of Unpublished Price Sensitive Information [*]	Y								
17	Code of Practices and Procedures for Fair Disclosure and Unpublished Price Sensitive Information [#]	Y								
18	Policy on Materiality of and dealing with Related Party Transactions [#]	Y								
19	Interest Rate Policy [#]	Y			Y					Y
20	Policy on Fit and Proper criteria for directors [*]	Y								
21	Performance Evaluation Criteria for board, Committees, Chairperson and directors [#]	Y								
22	Code of Ethics and Personal Conduct [#]	Y		Y		Y				
23	Corporate Communication Policy [*]	Y			Y					Y
24	Employee Charter Human Rights Statement [#]	Y		Y	Y					Y
25	Internal Job Posting Policy [*]			Y						
26	Auto Promotion Policy [*]			Y						
27	Rewards and Recognition Policy [*]			Y						
28	iCare Policy [*]			Y						
29	Creche Policy [*]			Y						
30	Staff Welfare and Team Engagement Policy [*]			Y						
31	Money on Call Policy [*]			Y						
32	Dividend Distribution Policy [#]	Y			Y					
33	Board Diversity Policy [*]	Y								
34	Sustainable Business Strategy Framework [*]	Y			Y					Y
35	Record Maintenance and Retention Policy [*]	Y								Y
36	Fortnightly Policy [*]			Y						
37	Corporate Audit Charter and Policy [*]	Y								
38	Governance Mechanism for distribution of third party products [*]	Y			Y	Y				Y
39	Customer grievance redressal policy [*]	Y			Y					Y
40	Policy on Preservation of Documents [*]	Y								Y
41	Risk Management Policy [*]	Y								
42	Investment and Market Risk Policy [*]	Y								

Sr. No	Principle wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
43	Asset Liability Management Policy*	Y								
44	Business Continuity Management Policy*	Y								Y
45	Policy on Dealing in Securities of group companies*	Y		Y						
46	Remuneration Policy*	Y		Y		Y				
47	Compliance Policy*	Y								
48	Corporate Governance Policy#	Y								
49	Institutional Mechanism for prevention of Insider Trading*	Y								
50	Internal Capital Adequacy Assessment Process (ICAAP) Policy*	Y								
51	Retirement Policy*			Y						
52	Code of Conduct for Directors and senior management#	Y								
53	Policy for Appointment of Statutory Auditors*	Y								
54	Policy on Preservation of Documents*	Y								Y
55	IT Asset Disposal Policy*						Y			Y
56	Spectrum Program*	Y		Y		Y				
57	HR Spouse Working as Consultant Policy*	Y		Y		Y				
58	Suppliers' code of conduct#	Y		Y	Y	Y	Y			

* Internal document

accessible to public

Independent Assurance Statement

Independent Assurance Statement to Bajaj Housing Finance Limited on its BRSR Report for the FY 2024-25

**The Board of Directors,
Bajaj Housing Finance Limited**

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as 'SGS India') was engaged by Bajaj Housing Finance Limited ('the Company' or 'BHFL') to conduct an independent assurance of the Company's Business Responsibility and Sustainability Reporting (BRSR) ('the Report') pertaining to the reporting period of 1 April 2024 to 31 March 2025. SGS India has conducted a Reasonable level of Assurance for BRSR core parameters and a Limited level of assurance for the remaining BRSR principles, including essential and leadership indicators and all disclosures made thereunder. This assurance engagement was conducted in accordance with "International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report has been prepared following the:

- 1) BRSR Core-Framework for assurance and ESG disclosures for value chain (SEBI vide Circular No. SEBI/HO/CFD/CFD- SEC-2/P/CIR/2023/122) dated 12 July 2023
- 2) BRSR reporting guidelines (Annexure II) as per SEBI Circular No. SEBI/HO/CFD/CMD-2/P/CIR/2021/562 dated 10 May 2021, and incorporated Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated 11 July 2023, and as amended from time to time.
- 3) Greenhouse Gas Protocol standard
- 4) Industry Standards on Reporting of BRSR Core (SEBI/HO/CFD/CFD-PoD-1/P/CIR/2024/177) dated 20 December 2024

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Bajaj Housing Finance Limited's Stakeholders.

Responsibilities

The information in the report and its presentation are the responsibility of the Management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, and statements within the defined scope of assurance, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific scope. The Statement shall not be used for interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope.

Assurance Standard

SGS has conducted a Reasonable level of Assurance w.r.t BRSR core parameters under 9 ESG Attributes and a Limited level of assurance for the remaining BRS parameters, including essential and leadership indicators. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3000(revised) and ISAE 3410 (Assurance Engagements other than Audits or Reviews of Historical Financial Information). Our evidence-gathering procedures were designed to obtain a 'Reasonable' level of assurance, which is a high level of assurance in accordance with ISAE 3000(revised) standard but is not absolute certainty. It involves obtaining sufficient appropriate evidence to support the conclusion that the information presented in the report is fairly stated and is free from material misstatements.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Bajaj Housing Finance Limited, being free from bias and conflicts of interest with the organization and its stakeholders.

The assurance team was assembled based on their knowledge, experience, and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance process involved assessing the quality, accuracy, and reliability of BRSR Indicators (KPIs) within the report for the period 1 April to 31 March 2025. The reporting scope and boundaries include Bajaj Housing Finance Limited spread across the different states of India.

Assurance Methodology

The assurance comprised a combination of desktop review, interaction with the key personnel engaged in the process of developing the report, on-site visits, and remote verification of data. Specifically, SGS India undertook the following activities:

- Assessment of the suitability of the applicable criteria in terms of its comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core KPIs, BRSR non-core indicators and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the BRSR core KPIs and BRSR non-core indicators.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the BRSR core KPIs and BRSR non-core indicators.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in 'Findings and Conclusion.'
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on the materiality threshold for Assumption/ estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of the data entirely lies with the Company. The assurance scope excluded forward-looking statements, product or service related information, external information sources and expert opinions. SGS India has not been involved in the evaluation or assessment of any financial data/performance of the company. Our opinion on financial indicators is based on the third-party audited financial reports of the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

Findings and Conclusions

BRSR Core Indicators

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report, on the Core Indicators (Annexure) is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR requirements.

BRSR Non-Core Indicators

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the essential and leadership indicators (as per the table below) reported in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria.

The list of BRSR Indicators that were verified within this assurance engagement is given below:

Principles	Limited		Reasonable
	Essential Indicators	Leadership Indicators	Core Indicators
Section A	General Disclosures		
Section B	Management and process disclosures		
Section C			
Principle 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable.	1,2,3,4,5,6,7	1,2	8,9
Principle 2: Businesses should provide goods and services in a manner that is sustainable and safe.	1,2,3,4	1,2,3,4,5	-
Principle 3: Businesses should respect and promote the well-being of all employees, including those in their value chains.	1(a),1(b),2,3,4,5,6,7,8,9,10, 12,13,14, 15	1,2,3,4,5,6	1 (c),11
Principle 4: Businesses should respect the interests of and be responsive to all its stakeholders.	1,2	1,2,3	-
Principle 5: Businesses should respect and promote human rights.	1,2,3,4,5,6,8,9,10,11	1,2,3,4,5	3 (b),7
Principle 6: Businesses should respect and make efforts to protect and restore the environment.	2,5,6,8,10,11,12,13	1,2,3,4,5,6	1,3,4,7,9
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1,2	1	-
Principle 8: Businesses should promote inclusive growth and equitable development.	1,2,3	1,2,3,4,5,6	4,5
Principle 9: Businesses should engage with and provide value to their consumers in a responsible manner	1,2,3,4,5,6	1,2,3,4	7

For and on behalf of SGS India Private Limited

Ashwini K. Mavinkurve
Technical reviewer
Head – ESG & Sustainability Services, SGS India
Pune, India: 19 May 2025

Blessy Sen
Lead Verifier – ESG & Sustainability Services, SGS India
Team Members: Abhijit M. Joshi

Annexure

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value
1	Green-house gas (GHG) footprint Greenhouse gas emissions may be measured in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard*	Total Scope 1 emissions	MT of CO ₂ e	205.83
		Total Scope 2 emissions	MT of CO ₂ e	2,160.11
		Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions / turnover)	Per Crore of Consolidated Total Revenue from operations	0.25
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total Scope 1 and Scope 2 GHG emissions / Revenue from operations adjusted for PPP)	Per Crore rupee of turnover adjusted Purchasing Power Parity	5.10
2	Water footprint	Total water consumption	KL	24,376
			KL/ Revenue from operations in ₹ Cr	3.00
		Water consumption intensity	KL / Revenue from operations in ₹ Cr. adjusted for PPP	52.59
		Water Discharge by destination and levels of Treatment	KL	NR
3	Energy footprint	Total energy consumed	Giga Joules (GJ)	13,208.35
		% of energy consumed from renewable sources	In % terms	0.00%
			GJ/ Revenue from operations in ₹ Cr	1.38
		Energy intensity	GJ/ Revenue from operations in ₹ Cr. adjusted for PPP	28.50
4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	NR
		E-waste (B)	MT	NR
		Bio-medical waste (C)	MT	NR
		Construction and demolition waste (D)	MT	NA
		Battery waste (E)	MT	6.25
		Radioactive waste (F)	MT	NA
		Other Hazardous waste. Please specify, if any. (G)	MT	NR
		Other Non-hazardous waste generated (H). Please specify, if any.	MT	NR
		Total waste generated (A+B + C + D + E + F + G + H)	MT	6.25
			MT/ Revenue from operations in ₹ Cr	0.00
		Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT / Revenue from operations in ₹ Cr. adjusted for PPP	0.00
		Total waste recovered through recycling, re-using or other recovery operations		
		(i) Recycled	MT	NR
		(ii) Re-used	MT	NR
		(iii) other recovery operations	MT	NR
		Total	MT	NR
		Total waste disposed by nature of disposal method		
		(i) Incineration	MT	NR
		(ii) Landfilling	MT	NR
		Total	MT	NR

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value
5	Enhancing Employee Wellbeing and Safety	Spending on measures towards well-being of employees and workers – cost incurred as a % of total revenue of the company	In % terms	0.04%
		Details of safety related incidents for employees and workers (including contract-workforce e.g. workers in the company's construction sites)	1. Number of Permanent Disabilities	NIL
			2. Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	NIL
			3. No. of fatalities	NIL
6	Enabling Gender Diversity in Business	Gross wages paid to females as % of wages paid	In % terms	5.98%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	NIL
			Complaints on POSH as a % of female employees / workers	NIL
			Complaints on POSH upheld	NIL
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –Directly sourced from MSMEs/ small producers	In % terms – As % of total purchases by value	7.52%
		Input material sourced from following sources as % of total purchases – within India	In % terms – As % of total purchases by value	99.73%
		Job creation in smaller towns – Wages paid to persons employed in smaller towns (permanent or non-permanent /on contract) as % of total wage cost	Rural	0.03%
			Semi-urban	0.95%
			Urban	11.78%
			Metropolitan	87.23%
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	25.05
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	17.02%
			Sales	22.50%
			Loans & advances	0.01%
			Investments	0.00%

NA: Not Applicable and NR: Not Reported

GHG Assurance Statement

Independent Assurance Statement to Bajaj Housing Finance Limited on its GHG Inventory for FY 2024-25

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Bajaj Housing Finance Limited (the 'Company' or 'BHFL') to conduct an independent assurance of its annual Greenhouse Gas (GHG) inventory for Scope-1, Scope-2 and Scope 3 pertaining to the reporting period of 1 April 2024 to 31 March 2025. The Company has developed its GHG inventory in accordance with the GHG Protocol Corporate Accounting and Reporting Standard and ISO 14064-1 standard. SGS India has conducted a Reasonable level of Assurance for Scope-1 & Scope-2 and a Limited level of assurance for Scope-3 data. This assurance engagement was conducted in accordance with the 'International Standard on Assurance Engagements (ISAE) 3410'.

Responsibilities

The information in the report and its presentation are the responsibility of the management of the Company. SGS India has not been involved in the preparation of any of the material included in the report.

Our responsibility is to express an opinion on the text, data, calculation, and statements within the defined scope of verification, aiming to inform the Management of the Company, and in alignment with the agreed terms of reference. We do not accept or assume any responsibility beyond this specific purpose, and it is not intended for use in interpreting the overall performance of the Company, except for the aspects explicitly mentioned within the scope. The Company holds the responsibility for preparing and ensuring the fair representation of the verification scope.

Assurance Standard

SGS India has conducted Reasonable level Assurance for Scope 1 & Scope 2 and Limited level assurance for Scope 3 data. This engagement was performed in accordance with the International Standard on Assurance Engagement (ISAE) 3410. Our evidence-gathering procedures were designed to obtain a 'Reasonable level of assurance' which involves the underlying assumption that the control environment and controls are reliable.

Statement of Independence and Competence

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from Bajaj Housing Finance Limited, being free from bias and conflicts of interest with the organization and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance exercise included the evaluation of quality, accuracy, and reliability of the GHG Inventory on Scope 1, Scope 2 and Scope 3 data for the period 1 April 2024 to 31 March 2025. The scope of verification covers the following aspects:

- The reporting scope and boundaries include Bajaj Housing Finance Limited offices spread across the different states of India, and this is aligned with the GHG inventory consolidation approach.

Assurance Methodology

The assurance comprised a combination of pre-assurance research, interaction with the key personnel engaged in the process of developing the company's GHG inventory, on-site visits, and remote desk review & verification of data. Specifically, SGS India executed the following activities:

- Interaction with key personnel from the head office and selected manufacturing locations to understand and review the current processes in place for developing the Company's GHG inventory.
- Assessment of internal control mechanism to ensure the reliability and accuracy of emission data.
- Review of the data management system used for collection and consolidation of emission data.
- Review of consistency of data/information within the GHG inventory and between the inventory and source.

- Evaluation of the appropriateness of the quantification methods used to arrive at the Scope 1, Scope 2 and Scope 3 emissions with respect to the specific requirements of the GHG Protocol
- Assurance of emission data on a sample basis, including conversion factors and emissions factors.

Limitations

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data review outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in 'Findings and Conclusion.'
- The assurance engagement considers an uncertainty of $\pm 5\%$ based on materiality threshold for Assumption/estimation/measurement errors and omissions.
- The Company's statements that describe the expression of opinion, belief, aspiration, expectation, aim to future intention provided by the Company, and assertions related to Intellectual Property Rights and other competitive issues.
- Strategy and other related linkages expressed in the Report.
- Mapping of the Report with reporting frameworks other than those mentioned in Reporting Criteria above.

SGS India verified data on a sample basis; the responsibility for the authenticity of data entirely lies with the Company. The assurance scope excluded forward-looking statements, product- or service-related information, external information sources and expert opinions.

Findings and Conclusions

Scope 1 and Scope 2 inventory

Based on the procedures we have performed and the evidence we have obtained, we are satisfied that the information presented by the Company in its report is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the reporting criteria.

Scope 3 inventory

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the information presented by the Company in its report is not prepared, in all material respects, in accordance with the reporting criteria.

SGS India verified the following parameters given in the Table below:

Scope 1 and Scope 2 Data

Locations	Actual emission (tCo2)	
	Scope 1	Scope 2
Bajaj Housing Finance Limited (BHFL)	205.83	2160.11
Total Emission	2365.94	

Scope 3 Data

Categories of Scope 3	Actual emission (tCo2)
Category 1: purchased goods and services	45.43
Category 3: Fuel & Energy Related Activities	374.63
Category 5: Waste generation in Operations	0.04
Category 6: Business Travel	745.71
Total Emission	1406.85

Ashwini K. Mavinkurve
Technical reviewer
Head – ESG & Sustainability Services, SGS India
Pune, India: 19 May 2025

Blessy Sen
Lead Verifier – ESG & Sustainability Services, SGS India
Team Members: Abhijit M. Joshi

Annexure 2: Mapping United Nations Sustainable Development Goals (UNSDG)

We have mapped our initiatives under the BRSR 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.



► Digital - Across the Ecosystem

We offer a digitised loan journey designed for speed, transparency, and ease. From online application and e-sanction letters to bilingual agreements and seamless payments, every step is simplified.

Customers can access their loan details anytime, complete onboarding with minimal support, and track progress online. Even partners benefit from digital tools that streamline case management and updates, making the entire experience faster and more efficient for everyone.





Chat & Apply

Apply via WhatsApp & check your offer instantly



e-Application Form

Eliminate paperwork with a seamless online application experience



Customer Onboarding

DIY and assisted models with multi-functional capabilities for customers & value chain partners



e-Sanction Letter + Key Fact Statement

In-principle sanction letter with Key Fact Statement (with 7 language options) for added transparency



Auto Cam

Effortless credit assessment and loan eligibility check



Partner Portal

A unified platform to manage cases, track LANs, and more – for partners



Multilingual e-Agreements

Digital loan agreements available in 7 languages



Customer Portal & App

Access your loan account anytime, anywhere with self-service options



UPI Payments via ECMS# Mode

Convenient and quick payments enabled through UPI



e-Insurance Form

Digital proposal forms across multiple partners

Building Digital Experiences

FINANCIAL STATEMENTS

Independent Auditors' Report on the Financial Statements

To the Members of **Bajaj Housing Finance Limited**

1. Opinion

We have audited the accompanying Financial Statements of Bajaj Housing Finance Limited (hereinafter referred as 'the Company'), which comprise the Balance Sheet as at 31 March 2025, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as 'the Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information required by the Companies Act, 2013 (the 'Act') in the manner so required and give true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2025, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditors' Responsibilities for the Audit of the 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 Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the Financial Statements.

2. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended 31 March 2025. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

S.N.	Key Audit Matters	How our audit addressed the key audit matters
1	Allowances for expected credit loss (ECL) As at 31 March 2025, the carrying value of loan assets carried at amortised cost, aggregated ₹ 99,512.86 crore (net of allowance for expected credit loss ₹ 577.86 crore) constituting approximately 97% of the Company's total assets. Significant judgement is used in classifying these loan assets and applying appropriate measurement principles. ECL on such loan assets carried at amortised cost is a critical estimate involving greater level of Management judgement. As part of our risk assessment, we determined that the ECL on such loan assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes for the standalone financial statements.	Our Audit Approach We have examined the policies approved by the Board of Directors of the Company that articulate the objectives of managing each portfolio and their business models. We have also verified the methodology adopted for computation of ECL ('ECL Model') that addresses policies approved by the Board of Directors, procedures and controls for assessing and measuring credit risk on all lending exposures carried at amortised cost. Additionally, we have confirmed that adjustments to the output of the ECL Model are consistent with the documented rationale and basis for such adjustments and that the amount of adjustments have been approved by the Audit Committee of the Board of Directors. Our audit

Independent Auditors' Report on the Financial Statements (Contd.)

The elements of estimating ECL which involved increased level of audit focus are the following:

- Qualitative and quantitative factors used in staging the loan assets carried at amortised cost;
- Basis used for estimating probabilities of default ('PD'), loss given default ('LGD') and exposure at default ('EAD') at product level with past trends;
- Judgements 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. (Refer note no. 4.3, 9 and 50(c) to the financial statements).

procedures related to the allowance for ECL included the following, among others:

Testing the design and operating effectiveness of the following:

- 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 reasonableness of the methodology used to determine macro-economic overlays and adjustments to the output of the ECL model; and

Test of details on a sample basis in respect of the following:

- 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 Company.
- 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 Company

2 Information Technology (IT) Systems and Controls impacting financial controls

The Company's key financial accounting and reporting processes are highly dependent on information systems including automated controls in systems, such that there exists a risk that gaps in the IT control environment could result in the financial accounting and reporting records being misstated.

Amongst its multiple IT systems, we scoped in systems that are key for overall financial reporting.

Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.

Our Audit Approach

Key IT audit procedures performed included the following, but not limited to:

- For testing the IT general controls, application controls and IT dependent manual controls, we involved IT specialists as part of the audit.
- Obtained a comprehensive understanding of IT applications landscape implemented at the Company. It was followed by process understanding, mapping of applications to the same and understanding financial risks posed by people-process and technology.

Independent Auditors' Report on the Financial Statements (Contd.)

S.N. Key Audit Matters	How our audit addressed the key audit matters
We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, significant number of systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process.	<ul style="list-style-type: none"> Key IT audit procedures includes testing design and operating effectiveness of key controls operating over user access management (which includes user access provisioning, de-provisioning, access review, password configuration review, segregation of duties and privilege access), change management (which include change release in production environment are compliant to the defined procedures and segregation of environment is ensured), computer operations (which includes testing of key controls pertaining to backup, incident management and data centre security). System interface controls: This included testing that requests for access to systems were appropriately logged, reviewed, and authorised. In addition to the above, the design and operating effectiveness of certain automated controls, that were considered as key internal system controls over financial reporting were tested using various techniques such as inquiry, review of documentation/ record/ reports, observation, and re-performance.

3. Information other than the financial statements and Auditors' report thereon

The Company's Management and Board of Directors is responsible for the other information. The other information comprises the information included in the Corporate Governance Report, which we obtained prior to the date of this auditors' report and the Director's Report including annexures thereto, Management Discussion & Analysis and Business Responsibility & Sustainability Report collectively referred to as 'Other Information' but does not include the Financial Statements and our auditors' report thereon. These reports are expected to be made available to us after the date of our auditors' report.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 Financial Statements or our knowledge obtained during the course of our audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in regard to the information pertaining to Corporate Governance obtained prior to the date of this auditors' report.

When we read the other information included in the above reports, which are expected to be made available to us after the date of our auditors' report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and determine the actions under the applicable laws and regulations.

4. Responsibilities of Management and Those Charged with Governance for the Financial Statements

The financial statements have been approved by the Company's Board of Directors. 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 financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS specified under section 133 of the Act and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting

Independent Auditors' Report on the Financial Statements (Contd.)

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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the Company's financial reporting process.

5. Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

As part of an audit in accordance with Standards on auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (i) Identify and assess the risks of material misstatement of the 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.
- (ii) Obtain an understanding of internal financial controls 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 Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- (iii) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (iv) 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 Company 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 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.
- (v) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

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.

Independent Auditors' Report on the Financial Statements (Contd.)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended 31 March 2025 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.

6. Other Matter

The Financial Statements of the Company for the year ended 31 March 2024, were audited by the predecessor joint auditors' who expressed an unmodified opinion on those financial statements vide their report dated 24 April 2024.

Our opinion is not modified in respect of this matter.

7. Report on Other Legal and Regulatory Requirements

- (i) As required by the Companies (Auditor's report) Order, 2020 ('the Order') issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A' a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (ii) As required by section 143(3) of the Act, based on our audit on financial statements we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. 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;
 - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account;
 - d. In our opinion, the aforesaid Financial Statements comply with the Ind AS specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - e. On the basis of written representations received from the directors as on 31 March 2025, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2025, from being appointed as a director in terms of section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls with reference to the Financial Statements of the Company and the operating effectiveness of such controls, we request you to refer to our separate Report in 'Annexure B' to this report;
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 read with Schedule V to the Act;
 - h. 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;
 - i. The Company has disclosed the impact of pending litigations on the financial position in its financial statements – Refer Note 41 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts – Refer Note 7 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

Independent Auditors' Report on the Financial Statements (Contd.)

- iv. The Management has represented that to the best of its knowledge and belief, 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.;
- v. The Management has represented that to the best of its knowledge or belief, other than as disclosed in the note 52 to the financial statements, 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; and
- vi. Based on audit procedures that have been considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under clause (iv) and (v) above, contain any material misstatement.
- vii. The Company has not declared or paid any dividend during the year and as such the compliance of section 123 of the Act has not been commented upon.
- viii. According to the information and explanation given to us and 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 the audit trail feature being tampered with.

Pursuant to the proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014, which came into effect from 1 April 2024, and in accordance with the requirements of Rule 11(g) of the Companies (Audit and Auditors) Rules, 2014, we report that, based on our audit procedures and the information and explanations provided to us, the Company has duly maintained and preserved the audit trail, as per the applicable statutory requirements for record retention.

For Singhi & Co.
Chartered Accountants
Firm Registration Number: 302049E

Amit Hundia
Partner
Membership Number: 120761
UDIN: 25120761BM0THA5868

Place: Pune
Date: 23 April 2025

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration Number: 106655W

Saurabh Chitale
Partner
Membership Number: 111383
UDIN: 25111383BMKWMP1135

Place: Pune
Date: 23 April 2025

Annexure A to the Independent Auditors' Report

[Referred to in paragraph (7(i)) under Report on Other Legal and Regulatory Requirements of our report of even date]

According to the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we report that:

- (i) a. A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment and the relevant details of Right-of-use Assets.
B) The Company has maintained proper records showing full particulars of Intangible Assets.
- b. The property, plant and equipment excluding right of use assets have been physically verified by the Management during the year and no material discrepancies were identified on such verification. In our opinion, the frequency of annual physical verification adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.
- c. The title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) as disclosed in the Financial Statements are held in the name of the Company.
- d. The Company has not revalued its Property, plant and equipment (including Right of use assets) or Intangible Assets during the year. Accordingly, the provisions stated under paragraph 3(i)(d) of the Order are not applicable to the Company.
- e. No proceedings have been initiated or are pending against the Company during the year for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, the provisions stated under paragraph 3(i)(e) of the Order are not applicable to the Company.
- (ii) a. The Company is engaged in lending business. Accordingly, it does not hold any inventory. Accordingly, the provisions stated under paragraph 3(ii)(a) of the Order is not applicable to the Company.
- b. During the year, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks and financial institutions based on the security of current assets. Basis the information and explanation provided to us and basis the records examined by us in the normal course of audit of the Financial Statements and as per note no. 17 of the Financial Statements, we have not come across any major differences between the information submitted in the quarterly returns / statements filed by the Company with such banks or financial institutions when compared with the books of account. However, we have not carried out a specific audit of such statements.
- (iii) a. The Company is a Non-Banking Financial Company and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(a) of the Order is not applicable to the Company.
- b. The investments made, guarantees provided, security given and terms and conditions of the grant of all loans and advances in the nature of loans and guarantees provided are, prima facie, not prejudicial to the interest of the Company.
- c. In respect of loans and advances in the nature of loans (together referred to as 'loan assets'), the schedule of repayment of principal and payment of interest has been stipulated. Note 4.3 to the Financial Statements explains the Company's accounting policy relating to impairment of financial assets which include loans assets. In accordance with that policy, loan assets with balances as at 31 March 2025, aggregating ₹ 287 crore were categorised as credit impaired ('Stage 3') and ₹ 320.65 crore were categorised as those where the credit risk has increased significantly since initial recognition ('Stage 2'). Disclosures in respect of such loans have been provided in note 9 to the Financial Statements. Additionally, out of loans and advances in the nature of loans with balances as at the year end aggregating ₹ 99,483.07 crore, where credit risk has not significantly increased since initial recognition (categorised as 'Stage 1'), In all other cases, the repayment of principal and interest is regular. Having regard to the nature of the Company's business and the volume of information involved, it is not practicable to provide an itemised list of loan assets where delinquencies in the repayment of principal and interest have been identified.

Annexure A to the Independent Auditors' Report (Contd.)

- d. In respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount for more than ninety days as at the Balance Sheet date except for 3,170 loan aggregating ₹ 287 crore as on 31 March 2025. Further, basis discussions with the Management we understand that the reasonable steps have been taken by the Company for recovery of the principal and interest.
- e. The Company is a Non-Banking Financial Company (Housing Finance Company) and its principal business is to give loans. Accordingly, reporting under clause 3(iii)(e) of the Order is not applicable to the Company
- f. The Company has not granted any loans or advances in the nature of loans that were either repayable on demand or without specifying any terms or period of repayment.
- (iv) There are no loans, investments, guarantees, and securities given in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable, and hence not commented upon.
- (v) The Company being a non-banking financial company (Housing Finance Company) registered with the National Housing Bank ('NHB'), the provisions of the sections 73 to 76 and any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended), are not applicable to the Company. According to the information and explanations given to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.
- (vi) The maintenance of cost records has not been specified by the Central Government under Section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Accordingly, the provisions stated under paragraph 3(vi) of the Order are not applicable to the Company.
- (vii) In respect of Statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues, including goods and service tax, provident fund, employees' state insurance, income tax, cess and other material statutory dues applicable to it, with the appropriate authorities. As explained to us, the Company did not have any dues on account of sales tax, service tax, duty of customs, duty of excise and value added tax.
- There were no undisputed amounts payable in respect of goods and services tax, provident fund, employees' state insurance, income tax, cess and any other material statutory dues in arrears as of 31 March 2025, for a period of more than six months from the date they became payable.
- b. According to the information and explanation given to us and examination of records of the Company, details of statutory dues referred to in sub-clause (a) above which have not been deposited as on 31 March 2025, on account of any dispute, are as follows:
- | Name of the Statute | Nature of the dues | Disputed Amount
(₹ in crore) | Period to which
the amount relates | Forum where
dispute is pending |
|---------------------------------|---------------------------|---|---|---|
| Goods and Service Tax Act, 2017 | Demand on credit notes | 0.34 | FY 2020-2021 | Office of Joint Commissioner (Appeals), Maharashtra |
- (viii) There are no transactions which are not accounted in the books of account which have been surrendered or disclosed as income during the year in Income-tax Assessment of the Company. Also, there are no previously unrecorded income which has been now recorded in the books of account. Accordingly, the provision stated under clause 3(viii) of the Order is not applicable to the Company.
- (ix) a. The Company has not defaulted in repayment of loans or borrowings or in the payment of interest thereon to any lender.
- 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.
- c. Money raised by way of term loans, were applied for the purposes for which they were raised other than temporary deployment pending application of proceeds in the normal course of business.

Annexure A to the Independent Auditors' Report (Contd.)

- d. On the basis of the procedures performed by us and on an overall examination of the financial statements of the Company, we report that no funds raised on short term basis have prima facie been used for long-term purposes by the Company.
- e. The Company does not have any subsidiary, associate or joint venture. Accordingly, reporting under paragraph 3(ix)(e) of the Order is not applicable to the Company.
- f. The Company does not have any subsidiary, associate or joint venture. Accordingly, reporting under paragraph 3(ix)(f) of the Order is not applicable to the Company.
- (x) a. Money raised by way of Initial Public Offer through equity shares during the year, have been, applied by the Company for the purposes for which they were raised. During the year, the Company has not raised money by way of Initial Public Offer through debt instruments / further public offer (including debt instruments).
- b. During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) and hence provisions stated under paragraph 3(x)(b) of the Order are not applicable to the Company.
- (xi) a. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no fraud on the Company has been noticed or reported during the period covered by our audit.
- b. During the year, no report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. According to the information, explanations and representations given to us, the predecessor joint statutory auditors' or the secretarial auditor has not filed any report under sub-section (12) of section 143 of the Act in Form ADT-4. Further, as represented to us, the Company does not have a cost auditor and hence, the reporting requirement in terms of cost auditor does not get applicable here.
- c. We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, while determining the nature, timing and extent of our audit procedures.
- (xii) The Company is not a Nidhi Company and hence provisions as stated under paragraph 3 (xii) (a) to (c) of the Order are not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with section 177 and 188 of the Act where applicable and the details of such transactions have been disclosed in the note no. 43 to the financial statements, as required by the applicable accounting standards.
- (xiv) a. The Company has an internal audit system commensurate with the size and the nature of its business.
- b. We have considered internal audit reports issued by internal auditor during our audit in accordance with the guidance provided in SA 610 – 'Using the work of Internal Auditors'.
- (xv) The Company has not entered into any non-cash transactions with directors or persons connected with them as referred to in section 192 of the Act and accordingly provisions stated under paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) a. As the Company is a Non-Banking Financial Company (Housing Finance Company) and registered under National Housing Bank (NHB) Act, 1987, it has been exempted from the requirement of Registration under section 45-IA of Reserve Bank of India Act, 1934. Accordingly, provisions stated under clause 3(xvi) (a) of the Order are not applicable to the Company.
- b. The Company has conducted housing finance activities with a valid Certificate of Registration issued by National Housing Bank.
- c. The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India and accordingly provisions stated under paragraph 3 (xvi)(c) of the Order are not applicable to the Company.

Annexure A to the Independent Auditors' Report (Contd.)

- d. The group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) has more than one Core Investment Companies ('CICs') as a part of its group. The Group has 18 CICs.
- (xvii) Based on the overall review of the financial statements of the Company, the Company has not incurred cash losses during the current financial year as well as in the immediately preceding financial year.
- (xviii) There has been no resignation of the Statutory Auditors' of the Company during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, undrawn credit lines, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.
- (xx) In respect of Corporate Social Responsibility (CSR):
- The Company has fully spent the required amount towards Corporate Social Responsibility (CSR) and there is no unspent CSR amount on account of other than ongoing projects for the year which requires a transfer to a Fund specified in Schedule VII to the Companies Act or special account in compliance with the provision of sub-section (6) of section 135 of the said Act.
 - There are no unspent amounts under sub section (5) of section 135 of the Act, in respect of ongoing projects, that are required to be transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act.
- (xxi) Based on our examination of the financial statements of the Company, the Company does not have any subsidiary / associate / joint venture and hence the paragraph 3(xxi) of the Order is not applicable to the Company.

For Singhi & Co.
Chartered Accountants
Firm Registration Number:302049E

Amit Hundia
Partner
Membership Number: 120761
UDIN: 25120761BMOTHA5868

Place: Pune
Date: 23 April 2025

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration Number: 106655W

Saurabh Chitale
Partner
Membership Number: 111383
UDIN: 25111383BMKWMP1135

Place: Pune
Date: 23 April 2025

Annexure B to the Independent Auditors' Report

[Referred to in paragraph (7(ii)(f)) under Report on Other Legal and Regulatory Requirements of our report of even date]

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to the Financial Statements ('the internal financial controls over financial reporting') of Bajaj Housing Finance Limited ('the Company') as of 31 March 2025, in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls with reference to the Financial Statements based on the internal control 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). 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 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

Our responsibility is to express an opinion on the Company's internal financial controls with reference to the Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing as specified under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to the Financial Statements and both issued by the Institute of Chartered Accountants of India. Those Standards 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 these financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to these 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' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 these financial statements.

Meaning of Internal Financial Controls with reference to these Financial Statements

A Company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control with reference to 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;

Annexure B to the Independent Auditors' Report (Contd.)

- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2025, based on the internal financial control with reference to the Financial Statements criteria established by the Company considering the essential components stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting issued by the ICAI.

For Singhi & Co.
Chartered Accountants
Firm Registration Number:302049E

Amit Hundia
Partner
Membership Number: 120761
UDIN: 25120761BMOTHA5868

Place: Pune
Date: 23 April 2025

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration Number: 106655W

Saurabh Chitale
Partner
Membership Number: 111383
UDIN: 25111383BMKWMP1135

Place: Pune
Date: 23 April 2025

Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2025	2024
ASSETS			
Financial assets			
Cash and cash equivalents	5	61.63	63.86
Bank balances other than cash and cash equivalents	6	0.15	0.15
Derivative financial instruments	7	41.22	11.66
Trade receivables	8	21.88	13.36
Loans	9	99,512.86	79,300.75
Investments	10	2,533.32	1,938.57
Other financial assets	11	363.46	284.07
		1,02,534.52	81,612.42
Non-financial assets			
Current tax assets (net)	12	75.53	31.09
Deferred tax assets (net)	12	44.14	50.94
Property, plant and equipment	13	100.34	87.50
Intangible assets under development	13	0.52	0.87
Other intangible assets	13	40.23	35.36
Other non-financial assets	14	13.47	8.91
		274.23	214.67
Total assets		1,02,808.75	81,827.09
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	-	0.83
Payables	15		
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		76.46	57.61
Other payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		104.29	82.75
Debt securities	16	39,765.70	26,645.33
Borrowings (other than debt securities)	17	42,268.61	42,299.73
Deposits	18	37.61	184.26
Other financial liabilities	19	489.54	234.14
		82,742.21	69,504.65

Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2025	2024
Non-financial liabilities			
Current tax liabilities (net)	12	37.69	25.93
Provisions	20	47.29	35.64
Other non-financial liabilities	21	34.76	27.37
		119.74	88.94
Equity			
Equity share capital	22	8,328.15	6,712.16
Other equity	23	11,618.65	5,521.34
		19,946.80	12,233.50
Total liabilities and equity		1,02,808.75	81,827.09

Summary of material accounting policies

4

The accompanying notes are an integral part of the financial statements

As per our report of even date

On behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Amit Hundia
Partner
Membership No.: 120761

Saurabh Chitale
Partner
Membership No.: 111383

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Pune: 23 April 2025

Statement of Profit and Loss

(₹ in crore)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
Revenue from operations			
Interest income	24	8,986.15	7,202.36
Fees and commission income	25	201.18	138.23
Net gain on fair value changes	26	164.26	133.20
Sale of services	27	32.84	52.48
Income on derecognised (assigned) loans	28	143.73	53.08
Other operating income	29	47.45	37.96
Total revenue from operations		9,575.61	7,617.31
Other income	30	0.35	0.40
Total income		9,575.96	7,617.71
Expenses			
Finance costs	31	5,979.26	4,692.61
Fees and commission expense	32	11.93	11.71
Impairment on financial instruments	33	80.08	60.88
Employee benefits expense	34	483.63	465.63
Depreciation and amortisation expenses	13	41.15	39.60
Other expenses	35	209.68	185.96
Total expenses		6,805.73	5,456.39
Profit before tax		2,770.23	2,161.32
Tax expense			
Current tax		619.53	509.00
Deferred tax charge / (credit)		13.16	(78.90)
Tax adjustment of earlier years		(25.36)	-
Total tax expense	12	607.33	430.10
Profit after tax		2,162.90	1,731.22
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		(1.93)	(1.93)
Tax impact on above		0.48	0.49
Items that will be reclassified to profit or loss:			
Re-measurement gains/(losses) on Investment measured at FVOCI		16.76	0.71
Tax impact on above		(4.22)	(0.18)
Other comprehensive income for the year (net of tax)		11.09	(0.91)
Total comprehensive income for the year		2,173.99	1,730.31

Statement of Profit and Loss (Contd.)

Particulars	Note No.	For the year ended 31 March	
		2025	2024
Earnings per equity share	36		
(Face value per share ₹ 10)			
Basic (₹)		2.67	2.58
Diluted (₹)		2.67	2.58
Summary of material accounting policies	4		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

On behalf of the Board of Directors

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Amit Hundia
Partner
Membership No.: 120761

Saurabh Chitale
Partner
Membership No.: 111383

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Pune: 23 April 2025

Statement of Changes in Equity

I. Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Balance at the beginning of the year	6,712.16	6,712.16
Changes in equity share capital during the year (refer note no. 22(a))	1,615.99	-
Balance at the end of the year	8,328.15	6,712.16

II. Other equity

For the year ended 31 March 2025

(₹ in crore)

Particulars	Note No.	Reserves and Surplus				Other comprehensive income on Debt instrument through OCI	Total other equity
		Securities premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings	Share options outstanding account		
Balance as at 1 April 2024		837.72	963.76	3,719.33	-	0.53	5,521.34
Profit after tax		-	-	2,162.90	-	-	2,162.90
Other comprehensive income (net of tax)		-	-	(1.45)	16.97	12.54	28.06
Total		837.72	963.76	5,880.78	16.97	13.07	7,712.30
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	432.58	(432.58)	-	-	-
Add: Issue of equity shares (Right Issue) (net of share issue expense)		892.48	-	-	-	-	892.48
Add: Issue of equity shares -Initial Public Offering (net of share issue expense)		3,013.87	-	-	-	-	3,013.87
Balance as at 31 March 2025	23	4,744.07	1,396.34	5,448.20	16.97	13.07	11,618.65

For the year ended 31 March 2024

(₹ in crore)

Particulars	Note No.	Reserves and Surplus				Other comprehensive income on Debt instrument through OCI	Total other equity
		Securities premium	Statutory reserve in terms of 29C of NHB Act	Retained earnings	Share options outstanding account		
Balance as at 1 April 2023		837.72	617.51	2,335.80	-	-	3,791.03
Profit after tax		-	-	1,731.22	-	-	1,731.22
Other comprehensive income (net of tax)		-	-	(1.44)	-	0.53	(0.91)
Total		837.72	617.51	4,065.58	-	0.53	5,521.34
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	346.25	(346.25)	-	-	-
Balance as at 31 March 2024	23	837.72	963.76	3,719.33	-	0.53	5,521.34

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Amit Hundia
Partner
Membership No.: 120761

Pune: 23 April 2025

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

Saurabh Chitale
Partner
Membership No.: 111383

On behalf of the Board of Directors

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Gaurav Kalani
Chief Financial Officer
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Statement of Cash Flows

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
I. Cash Flow from operating activities		
Profit before tax	2,770.23	2,161.32
Adjustments for:		
Interest income	(8,986.15)	(7,202.36)
Depreciation and amortisation	41.15	39.60
Impairment on financial instruments	80.08	60.88
Finance costs	5,979.26	4,692.61
Share based payment expenses	16.97	-
Net loss on disposal of property, plant and equipment and intangible assets	2.72	0.77
Service fees for management of assigned portfolio of loans	(27.30)	(37.11)
Income on derecognised (assigned) loans	(143.73)	(53.08)
Net (gain)/ loss on financial instruments measured at FVTPL	(164.26)	(133.20)
	(431.03)	(470.57)
Cash inflow from interest on loans	8,597.80	6,886.57
Cash inflow from interest on Investments and fixed deposits	158.96	94.63
Cash inflow from receivables on assignment of loans	101.05	102.72
Cash outflow towards finance cost	(5,441.16)	(4,456.77)
Cash generated from operations before working capital changes	2,985.62	2,156.58
Working capital changes		
(Increase) / decrease in bank balances other than cash and cash equivalents	-	14.84
(Increase) / decrease in trade receivables	(8.56)	(11.81)
(Increase) / decrease in other receivables	-	0.36
(Increase) / decrease in loans	(20,087.67)	(17,047.27)
(Increase) / decrease in investments measured under FVTPL	373.34	733.34
(Increase) / decrease in other financial assets	(11.36)	4.01
(Increase) / decrease in other non-financial assets	(4.56)	(1.00)
Increase / (decrease) in trade payables	18.85	11.68
Increase / (decrease) in other payables	21.54	9.71
Increase / (decrease) in other financial liabilities	245.36	25.23
Increase / (decrease) in provisions	9.50	18.08
Increase / (decrease) in other non-financial liabilities	7.39	12.47
	(16,450.55)	(14,073.78)
Income taxes paid (net of refunds)	(624.32)	(526.36)
Net cash used in operating activities (I)	(17,074.87)	(14,600.14)
II. Cash Flow from investing activities		
Purchase of property, plant and equipment	(25.07)	(25.62)
Sale of property, plant and equipment	5.33	3.30
Purchase of other intangible assets and intangible assets under development	(15.93)	(17.38)
Purchase of investments measured under amortised cost	(16,270.26)	(6,139.67)
Sale of investments measured under amortised cost	16,270.26	6,139.67
Purchase of investments measured under FVOCI	(761.88)	(514.96)
Net cash used in investing activities (II)	(797.55)	(554.66)

Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
III. Cash flow from financing activities		
Issue of equity share capital (including securities premium)	5,560.00	-
Share issue expense (net of tax)	(50.29)	-
Proceeds from long term borrowings	26,680.07	23,987.12
Repayments towards long term borrowings	(13,873.61)	(11,817.87)
Short term borrowings (net)	(290.79)	2,961.33
Deposits accepted (other than public deposits) (net)	(141.34)	8.05
Payment of lease liability	(13.85)	(13.85)
Net cash generated from financing activities (III)	17,870.19	15,124.78
Net increase/(decrease) in cash and cash equivalents (I+II+III)	(2.23)	(30.02)
Cash and cash equivalents at the beginning of the year	63.86	93.88
Cash and cash equivalents at the end of the year	61.63	63.86

- The above statement of cash flows has been prepared under the indirect method as set out in Indian Accounting Standard 7 'Statement of cash flows'.
- Refer note no. 42 for change in liabilities arising from financing activities.
- Cash receipt and payment for borrowings in which the turnover is quick, the amounts are large, and the maturities are short are defined as short term borrowings and shown on net basis. Such items include commercial papers, cash credit, overdraft facility, working capital demand loan and triparty repo dealing and settlement. All other borrowings are defined as long term borrowings.
- Certain categories of investments are considered by the Company, as held for trading purposes. The Company has accordingly presented the related cash flows under operating activities including interest income from all investments. Pursuant to change, the cash flow from the operating activities for the comparative year ended 31 March 2024 increased by ₹ 827.97 crore and cash flow from the investing activities for the comparative year ended 31 March 2024 decreased by ₹ 827.97 crore respectively.

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Cash and cash equivalents comprises of:		
Cash on hand	-	-
Balances with banks:		
In current accounts	61.63	63.86
Total	61.63	63.86

As per our report of even date

On behalf of the Board of Directors

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Amit Hundia
Partner
Membership No.: 120761

Saurabh Chitale
Partner
Membership No.: 111383

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Pune: 23 April 2025

Notes to financial statements for the year ended 31 March 2025

1. Corporate information

The Company (earlier known as 'Bajaj Financial Solutions Limited') (Corporate ID No.: L65910PN2008PLC132228) was incorporated as a subsidiary of Bajaj Finserv Limited ('BFS') on 13 June 2008, is a Company limited by shares and domiciled as well as having its operations in India. The Company was acquired by Bajaj Finance Limited (BFL) from BFS in November 2014 to conduct housing finance business in a dedicated subsidiary Company and accordingly the Company's name was changed to Bajaj Housing Finance Limited (BHFL) on 14 November 2014. It got registered with National Housing Bank ('NHB') as a non deposit taking Housing Finance Company vide certificate no 09.0127.15 on 24 September 2015. BHFL started its operation in financial year 2017-18 The Company is listed on BSE Limited and National Stock Exchange of India Limited (NSE).

The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property, (iii) lease rental discounting, (iv) developer financing, and (v) unsecured loans. The Company has been classified as NBFC- UL (upper layer) by RBI as part of its 'Scale Based Regulation', since 30 September 2022.

The financial statements were subject to review and recommendation of Audit Committee and approval of Board of Directors. On 23 April 2025, Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2. Basis of preparation

(i) Statement of Compliance

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as prescribed in the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and notified under section 133 of the Companies Act, 2013 ('the Act') along with other relevant provisions of the Act, the updated Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21, dated 17 February, 2021 as amended ('the RBI Master Directions'), the updated Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time, notification for Implementation of Indian Accounting Standard vide circular RBI/2019-20/170 DOR(NBFC). CC.PD.No.109/22.10.106/ 2019-20 dated 13 March 2020 and other applicable RBI/NHB circulars and notifications. The Company uses accrual basis of accounting except in case of significant uncertainties. [Refer note no. 4.1(ii)(a)]

The financial statements have been prepared on a historical cost basis, except for certain financial instruments that are measured at fair value.

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 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.

(ii) Functional and Presentation Currency

The financial statements are presented in Indian Rupee (INR) which is also the functional currency of the Company, in denomination of crore rounded off to two decimal places as permitted by Schedule III to the Act except where otherwise indicated.

3. 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 financial statements for the year ended 31 March 2025 (Contd.)

3. Presentation of Financial Statements (Contd.)

Accounting estimates, judgements and assumptions

The preparation of the Company's financial statements requires Management to make use of estimates, judgements and assumptions. These estimates, judgments and assumptions affect the application of accounting policies, the reported amounts 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 judgements. Revision to accounting estimates are recognised prospectively.

Material accounting estimates and judgements are used in various line items in the financial statements are as below:

- Business model assessment (Refer note no. 4.3.(i))
- Impairment on financial assets (Refer note no. 4.3.(i), 9, 10, 11, 14, 50)
- Provisions, contingent liabilities and commitments (Refer note no. 4.8 and 41)
- Provision for tax expenses (Refer note no. 4.5)
- Fair Value of financial Instruments (Refer note no. 4.10 and 49)
- Defined benefit plans [Refer note no. 4.9(b) and 40 (I)]

4. Summary of material accounting policies

This note provides a list of the material accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

4.1 Revenue from operations

(i) Interest income

The Company 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 (FVOCI). The Company recognises interest income by applying the EIR to the gross carrying amount of financial assets other than credit-impaired assets.

Interest on financial assets subsequently measured at fair value through profit or loss (FVTPL) is recognised at the contractual rate of interest.

(ii) Revenue from operations other than interest income

The Company 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'.

(a) Fees and commission income

The Company recognises:

- service and administration charges on completion of contracted service;
- delayed payment charges (penal charges, bounce charges and the like) levied on customers for delay in repayments/ non payment of contractual cashflows recognised 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.

(b) Net gain on fair value changes

The Company recognises gains/loss on fair value change of financial assets measured at FVTPL. Realised gains on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

(c) Sale of services

The Company, on de-recognition of financial assets where a right to service the derecognised financial assets is retained, recognises the fair value of future service fee income and service obligations cost on net basis as service fee income/ expense in the Statement of Profit and Loss and, correspondingly creates a service asset/ liability in Balance Sheet. Any subsequent change in the fair value of service asset/ liability is recognised as service income/ expense in the period in which it occurs. The embedded interest component in the service asset / liability is recognised as interest income/ expense in line with Ind AS 109 'Financial instruments'.

(d) Income on derecognised (assigned) loans

The Company, on de-recognition of financial assets under the direct assignment transactions, recognises the right of excess interest spread (EIS) which is difference between interest on the loan portfolio assigned and the applicable rate at which the direct assignment is entered into with the assignee. The Company records the discounted value of scheduled cash flow of the future EIS, entered into with the assignee, upfront in the Statement of Profit and Loss. Any subsequent increase or decrease in the fair value of future EIS is recognised in the period in which it occurs. The embedded interest component in the future EIS is recognised as interest income in line with Ind AS 109 'Financial instruments'.

(e) Other operating income

The Company recognises recoveries against written off financial assets on realisation. Any other operating income is recognised on completion of service.

4.2 Expenses**(i) Finance cost**

Borrowing costs on financial liabilities are recognised using the EIR method as per Ind AS 109 'Financial Instruments'.

(ii) Fees and commission expenses

Fees and commission expenses which are not directly linked to the sourcing of financial assets, such as fees payable for management of portfolio, are recognised in the Statement of Profit and Loss on an accrual basis.

4.3 Financial instruments**Recognition of financial Instruments**

All financial instruments are recognised on the date when the Company becomes party to the contractual provisions of the financial instruments. For tradable securities, the Company recognises the financial instruments on settlement date.

(i) Financial assets**Initial measurement**

All financial assets are recognized initially at fair value adjusted for incremental transaction costs and income that are directly attributable to the acquisition of the financial asset except for following:

- Financial assets measured at FVTPL which are recognised at fair value; and transaction cost are adjusted to profit and loss statement.
- Trade receivables that do not contain a significant financing component (as defined in Ind AS 115) are recorded at transaction price.

Classification and subsequent measurement

For the purpose of classification, financial assets are classified into three categories as per the Company's Board approved policy:

- Debt instruments at amortised cost
- Debt instruments at FVOCI
- Debt instruments at FVTPL

Notes to financial statements for the year ended 31 March 2025 (Contd.)

4. Summary of material accounting policies (Contd.)

The classification depends on the contractual terms of the cash flows of the financial assets and Company's business model for managing financial assets which are explained below:

Business model assessment

The Company has put in place its Board approved policies for determination of the business model. These policies consider whether the objective of the business model, at initial recognition, is to hold the financial asset to collect its contractual cash flows or, dually, to sell the financial asset and collect the contractual cash flows. The Company determines its business model 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.

Solely payments of principal and interest (SPPI) Assessment

The Company assesses the contractual terms of the financial assets to identify whether they meet the SPPI test.

In making this assessment, the Company considers whether the contractual cash flows represent sole payments of principal and interest which means that whether the cash flows are consistent with a basic lending arrangement i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Principal for the purpose of this test refers to the fair value of the financial asset at initial recognition.

(a) Debt instruments at amortised cost

The Company measures its debt instruments like Loans, certain debt instruments at amortised cost if both the following conditions are met:

- The asset is 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 sole payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost on effective interest rate (EIR). The expected credit loss (ECL) calculation for debt instruments at amortised cost is explained in subsequent notes in this section.

The Company may enter into following transactions without affecting business model of the Company:

- Considering the economic viability of carrying the delinquent portfolios on the books of the Company, it may enter into immaterial and infrequent transactions to sell these portfolios to banks and/or asset reconstruction companies.
- Assignment and sale of Non-NPA transactions which are infrequent and below threshold provided by Management.

(b) Debt instruments at FVOCI

The Company subsequently classifies its debt instruments as FVOCI, only if both of the following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets; 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.

Debt instruments included within the FVOCI category are measured at each reporting date at fair value with such changes being recognised in the other comprehensive income (OCI). The interest income on these assets are recognised in profit or loss. The ECL calculation for debt instruments at FVOCI is explained in subsequent notes in this section.

Debt instruments such as mortgage loans portfolio where the Company periodically resorts to partially selling the loans by way of assignment to willing buyers are classified as FVOCI.

On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from other comprehensive income to profit or loss.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

(c) Debt instruments at FVTPL

The Company operates a trading portfolio as a part of its treasury strategy and classifies its debt instruments which are held for trading under FVTPL category. As a part of its hedging strategy, the Company enters into derivative contracts and classifies such contracts under FVTPL.

Interest incomes is recorded in Statement of Profit and Loss according to the terms of the contract, gains and losses on changes in fair value of debt instruments are recognised on net basis through profit or loss.

Derecognition of financial assets

The Company derecognises a financial asset (or, where applicable, a part of a financial asset) when:

- (a) The right to receive cash flows from the asset has expired such as repayments in the financial asset, sale of the financial asset etc. or
- (b) 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 an assignment arrangement and the Company has transferred substantially all the risks and rewards of the asset. Once the asset is derecognised, the Company does not have any continuing involvement in the same. A write-off of a financial asset constitutes a de-recognition event.

Derecognition in case of direct assignment

The Company 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 Company retains the right to service the financial asset, it recognises either a servicing asset or a servicing 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 Company 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.

Write off

Financial assets are written off either partially or in their entirety only when the Company has no reasonable expectation of recovery basis past trends. Where the amount to be written off is greater than the accumulated loss allowance, the difference is recorded as an expense in the period of write off. Any subsequent recoveries against such loans are credited to Statement of Profit and Loss. The Company has Board approved policy on write off and one time settlement of loans.

Impairment on financial assets**(A) General approach**

Expected credit losses ('ECL') are recognised for applicable financial assets held under amortised cost, debt instruments measured at FVOCI, and certain loan commitments as per the Board approved policy.

The Company follows a staging methodology for ECL computation. Financial assets where no significant increase in credit risk has been observed are considered to be in 'stage 1' for which a 12 month ECL is recognised. Financial assets that are considered to have significant increase in credit risk are considered to be in 'stage 2' and those which are in default or for which there is an objective evidence of impairment are considered to be in 'stage 3'. Life time ECL is recognised for stage 2 and stage 3 financial assets.

Stage 1 (12-month ECL) is provided basis the default events that are likely to occur in the next 12 months from the reporting date. Stage 2 and stage 3 (lifetime ECL) is provided for basis all possible default events likely to occur during the life of the financial instrument.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

4. Summary of material accounting policies (Contd.)

Financial assets are written off in full, when there is no realistic prospect of recovery. The Company may apply enforcement activities to certain qualifying financial assets written off.

Treatment of the different stages of financial assets and the methodology of determination of ECL

(a) Credit impaired (stage 3)

The Company recognises a financial asset to be credit impaired and in stage 3 by considering relevant objective evidence, primarily whether:

- Contractual payments of either principal or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where either 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.

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.

Loans where one time compromise settlement is offered to the customer to close their loan accounts with certain relaxation and waiver of charges/interest/ principal are classified as stage 3 assets.

(b) Significant increase in credit risk (stage 2)

The Company considers loan accounts which are overdue for more than or equal to 31 day but up to 90 days as on the reporting date as an indication of significant increase in credit risk. Additionally, for mortgage loans, the Company recognises stage 2 based on other indicators such as frequent delays 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, underlying collateral, geographies 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, credit transition probabilities and macroeconomic conditions. 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. Loan will fall under stage one if the DPD is up to 30 days. The Company ascertains 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 assessment of credit risk and estimation of ECL are unbiased and probability weighted. It incorporates all information that is relevant including information about 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.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

The Company calculates 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.

– Probability of default (PD)

PD is the likelihood that a loan will not be repaid and will fall into default. Determination of PD is covered above for each stages of ECL i.e. For assets which are in stage 1, a 12 month PD is considered, for stage 2 and 3 lifetime PD is required.

– Exposure at default (EAD)

EAD represents the expected outstanding balance at default, taking into account the repayment of principal and interest from the balance sheet date to the date of default together with any expected drawdowns of committed facilities.

– Loss Given Default (LGD)

LGD represents expected losses on the EAD given 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. It is expressed as percentage of outstanding at the time of default.

The Company recalibrates above components of its ECL model on a periodical basis by using the available incremental and recent information as well as assessing changes to its statistical techniques for a granular estimation of ECL.

A more detailed description of the methodology used for ECL is covered in the 'credit risk' section of note no. 50.

(e) Classification of ECL

Expected credit loss ('ECL') allowances for financial assets measured at amortised cost is recognised in the Statement of Profit and Loss. For financial assets measured at FVOCI, the loss allowance is recognised in OCI and carrying amount of the financial asset is not reduced in the Balance Sheet. Impairment loss pertaining to credit risk on such assets is reclassified immediately to the Statement of Profit and Loss.

(f) ECL on undrawn commitments

Expected credit loss on undrawn loan commitment is the present value of the difference between:

- contractual cash flow that are due, if the holder of the loan commitment drawn down the loan and
- the cash flow that the entity expects to receive if the loan is drawn down.

Expected credit losses on loan commitments are consistent with its expectations of drawdowns on that loans commitment i.e. it shall consider the expected portion of the loan commitment that are expected to be drawn down within 12 months of the reporting date when estimating 12-month expected credit losses.

(B) Simplified approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables that do not contain significant financing component. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. The Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables and other financial assets. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and other financial assets and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated for changes in the forward looking estimates.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

4. Summary of material accounting policies (Contd.)

(ii) Financial liabilities

Initial measurement

All financial liabilities are recognised initially at fair value adjusted for incremental transaction costs that are directly attributable to the financial liabilities except in the case of financial liabilities recorded at FVTPL where the transaction costs are charged to the Statement of Profit or Loss.

Subsequent measurement

After initial recognition, the Company subsequently measures all financial liabilities at amortised cost using the EIR method, unless Company is required to measure liabilities at fair value through profit or loss such as derivative liabilities. Any gains or losses arising on derecognition of liabilities are recognised in the Statement of Profit and Loss.

Derecognition:

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

(iii) Derivative financial instruments

The Company enters into interest rate swaps (derivative financial instruments) to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each Balance Sheet date. The resulting gain/loss is recognised in the Statement of Profit and Loss immediately unless the derivative is designated and is effective as a hedging instrument, in which event the timing of the recognition in the Statement of Profit and Loss depends on the nature of the hedge relationship. The Company designates derivatives as hedges of the fair value of recognised liabilities (fair value hedges).

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting

The Company makes use of derivative instruments to manage exposures to interest rate risk. In order to manage particular risks, the Company applies hedge accounting for transactions that meet specified criteria.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging / economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the Company would assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value and are assessed on an on-going basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the criteria for hedge accounting are accounted for, as described below:

Fair value hedges hedge the exposure to changes in the fair value of a recognised liability, or an identified portion of such liability, that is attributable to a particular risk and could affect profit or loss.

For designated and qualifying fair value hedges, the cumulative change in the fair value of a hedging derivative is recognised in the Statement of Profit and Loss in finance costs. Meanwhile, the cumulative change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item in the Balance Sheet and is also recognised in the Statement of Profit and Loss in finance cost.

The Company classifies a fair value hedge relationship when the hedged item (or group of items) is a distinctively identifiable liability hedged by one or a few hedging instruments. The financial instruments hedged for interest rate risk in a fair value hedge relationship is fixed rate debt issued. If the hedging

Notes to financial statements for the year ended 31 March 2025 (Contd.)

instrument expires or is sold, terminated or exercised, or where the hedge no longer meets the criteria for hedge accounting, the hedge relationship is discontinued prospectively. If the relationship does not meet hedge effectiveness criteria, the Company discontinues hedge accounting from the date on which the qualifying criteria are no longer met. For hedged items recorded at amortised cost, the accumulated fair value hedge adjustment to the carrying amount of the hedged item on termination of the hedge accounting relationship is amortised over the remaining term of the original hedge using the recalculated EIR method by recalculating the EIR at the date when the amortisation begins. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the Statement of Profit and Loss.

4.4 Investments

Investments are classified in accordance with Ind AS 109 'financial instruments' into three categories viz. amortised cost, FVOCI and FVTPL based on contractual cashflows and business model.

Investments under FVOCI and FVTPL are marked to market at each reporting date using available market prices, NAVs, or yields. Gains/losses on FVTPL are routed through profit and loss, while those on FVOCI are recorded through other comprehensive income.

4.5 Taxes

Income tax comprises current tax and deferred tax.

Income tax is recognised based on tax rates and tax laws enacted, or substantively enacted, at the reporting date and on any adjustment to tax payable in respect of previous years. It is recognised in the Statement of Profit and Loss except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in the same statement as the related item appears.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Balance Sheet, and the amounts attributed to such assets and liabilities for tax purposes. Deferred tax is calculated using the tax rates expected to apply in the periods in which the assets will be realised or the liabilities settled.

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 basis the criteria given under Ind AS 12 Income Taxes.

4.6 Property, plant and equipment and intangible assets

The Company measures property, plant and equipment initially at cost and subsequently at cost less accumulated depreciation and impairment losses, if any.

Depreciation is provided on a prorata basis for all tangible assets on straight line method over the useful life of assets assuming no residual value at the end of useful life of the asset. Depreciation on leasehold improvements is provided on straight line method over the primary period of lease of premises or 5 years whichever is less.

Useful life used by the Company is in line with Schedule II-Part C of the Companies Act, 2013, except for end user machines, chairs and vehicles. Useful life of assets are determined by the Management by an internal technical assessment where useful life is significantly different from those prescribed by Schedule II. Details of useful life is given in note no.13.

Intangible assets, representing softwares, licenses etc. are initially recognised at cost and subsequently carried at cost less accumulated amortization and accumulated impairment, if any. The intangible assets are amortised using the straight line method over a period of five years, which is the Management's estimate of its useful life.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

4. Summary of material accounting policies (Contd.)

4.7 Leases

The Company as a lessee follows Ind AS 116 'Leases' for accounting of various office premises and servers taken on lease.

Measurement of lease liability

At the time of initial recognition, the Company measures lease liability as present value of all lease payments over primary period of lease discounted using the Company's incremental cost of borrowing of similar tenure and directly attributable costs. Subsequently, the lease liability is increased by interest on lease liability, reduced by lease payments made and remeasured to reflect any reassessment or lease modifications specified in Ind AS 116 'Leases', or to reflect revised fixed lease payments.

Measurement of Right of use assets

At the time of initial recognition, the Company measures right-of-use assets as present value of all lease payments over primary period of lease discounted using the Company's incremental cost of borrowing of similar tenure. Subsequently, right-of-use assets is measured using cost model i.e. at cost less any accumulated depreciation and any accumulated impairment losses adjusted for any re-measurement of the lease liability specified in Ind AS 116 'Leases'. Depreciation on right of use assets is provided on straight-line basis over the lease period.

4.8 Provisions, contingent liabilities and Commitment

The Company recognises a provision when there is present obligation as a result of a past event that probably requires an outflow of resources 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. The Company also discloses present obligations for which a reliable estimate cannot be made as 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.

Commitments are future liabilities, which include undrawn loan commitments, estimated amount of contracts remaining to be executed on capital account and not provided for.

4.9 Retirement and other employee benefits

(a) Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognised during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service. The liability for accumulated leaves which is eligible for encashment within the same calendar year is provided for at prevailing salary rate for the entire unavailed leave balance as at the Balance Sheet date.

(b) Employment benefit plans

The Company operates defined contribution, defined benefit and other long term service benefits.

Payment to defined contribution plans i.e. provident fund and employees' state insurance are charged as an expenses as the employee render service.

Defined benefit plans for gratuity is funded by the Company. Payment for present liability of future payment of gratuity is made to the approved gratuity fund viz. Bajaj Auto Limited Gratuity Fund Trust, which covers the same under cash accumulation policy and debt fund of the Life Insurance Corporation of India (LIC) and Bajaj Allianz Life Insurance Company Limited (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. Actuarial liability is computed 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. Gains and losses through remeasurements of the net defined

Notes to financial statements for the year ended 31 March 2025 (Contd.)

benefit liability/assets are recognised immediately in the Balance Sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. The effect of any planned amendments are recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

(c) Share based payments

The Company enters into equity settled share-based payment arrangement with its employees as compensation for the provision of their services. The cost is determined basis the fair value of the employee stock options on the grant date using the Black Scholes model. The total cost of the share option is accounted for on a straight-line basis over the vesting period of the grant. The cost attributable to the services rendered by the employees of the Company is recognised as employee benefits expenses in the Statement of Profit or Loss, together with a corresponding increase in Share Options Outstanding Account in other equity.

The Holding Company and Ultimate Holding Company had granted stock options to our employees in earlier financial years for provision of services to our Company. The total cost determined basis fair value using Black Scholes model is charged on a straight-line basis over the vesting period of the grant and is recognised as employee benefits expenses in the Statement of Profit or Loss.

4.10 Fair value measurement

The Company measures its qualifying financial instruments at fair value on each Balance Sheet date.

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.

In case financial instruments are classified on the basis of valuation techniques that features one or more significant market inputs that are unobservable, then measurement of fair value becomes more judgemental. Details on level 3 financial instruments along with sensitivity and assumptions are set out in note no. 49.

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 I, Level II and Level III based on the lowest level input that is significant to the fair value measurement as a whole. For a detailed information on the fair value hierarchy, refer note no. 48 and 49.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

4.11 Collateral repossession

The nature of products across these broad product categories are either unsecured or secured by collateral. Although collateral is an important risk mitigant of credit risk, the Company'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 the Company'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 the Company's credit risk.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company exercises its rights of repossession across all secured products. It also resorts to invoking its right under the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act, 2002 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.

4.12 Recent accounting pronouncements

Ministry of Corporate Affairs ('MCA') notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended 31 March 2025, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

5. Cash and cash equivalents

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Cash on hand	-	-
Balances with banks:		
In current accounts*	61.63	63.86
Total	61.63	63.86

*Includes ₹ 0.20 crore in current account maintained for employees care fund (Previous year : ₹ 0.16 crore)

6. Bank balances other than cash and cash equivalents

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Fixed deposits (with original maturity more than 3 months)*	0.15	0.15
Total	0.15	0.15

*Includes earmarked balance with banks of ₹ 0.15 crore (Previous year: ₹ 0.02 crore) against overdraft facility.

7. Derivative financial instruments (at FVTPL)

Particulars	(₹ in crore)		
	As at 31 March 2025		
	Notional amount	Fair value assets	Fair value liabilities
Interest rate derivatives			
Interest rate swaps (fair value hedge)	2,350.00	41.22	-
Total	2,350.00	41.22	-

Particulars	(₹ in crore)		
	As at 31 March 2024		
	Notional amount	Fair value assets	Fair value liabilities
Interest rate derivatives			
Interest rate swaps (fair value hedge)	1,850.00	11.66	0.83
Total	1,850.00	11.66	0.83

The Company has a Board approved policy for entering into derivative transactions. Derivative transactions comprise of interest rate swaps. The Company undertakes such transactions for hedging borrowings. The Asset Liability Management Committee periodically monitors and reviews the risk involved.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

8. Trade Receivables

(₹ in crore)

As at 31 March

Particulars	2025	2024
Trade receivables		
Considered good - unsecured		
Fees, commission and others	21.97	13.41
Less: Impairment loss allowance	0.09	0.05
Total	21.88	13.36

-No receivables are due from directors or other officers of the Company either severally or jointly with any other person.

-No receivables are due from firms or private companies in which any director is a partner, a director or a member.

Trade receivables (gross) ageing schedule as at 31 March 2025

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	2.02	-	19.95	-	-	-	-	21.97
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Trade receivables (gross) ageing schedule as at 31 March 2024

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding for following periods from due date of payment					Total
			Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables								
(i) Considered good	-	-	13.41	-	-	-	-	13.41
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-
Disputed Trade Receivables								
(i) Considered good	-	-	-	-	-	-	-	-
(ii) Which have significant increase in credit risk	-	-	-	-	-	-	-	-
(iii) Credit impaired	-	-	-	-	-	-	-	-

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

For the year ended 31 March

Particulars	2025	2024
Impairment loss allowance as at beginning of the year (a)	0.05	0.01
Increase during the year (b)	0.04	0.04
Decrease during the year (c)	-	-
Impairment loss allowance at the end of the year (a+b-c)	0.09	0.05

Notes to financial statements for the year ended 31 March 2025 (Contd.)

9. Loans

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	At amortised Cost	At FVOCI*	Total	At amortised Cost	At FVOCI*	Total
(A) Loans						
Term loans	31,154.62	68,936.10	1,00,090.72	21,787.62	58,037.30	79,824.92
Less: Impairment loss allowance	221.03	356.83	577.86	196.79	327.38	524.17
Total	30,933.59	68,579.27	99,512.86	21,590.83	57,709.92	79,300.75
(B) Out of above:						
(i) Secured by tangible assets ⁺	29,143.91	68,936.10	98,080.01	19,716.87	58,037.30	77,754.17
(ii) Secured by intangible assets [#]	269.33	-	269.33	274.00	-	274.00
(iii) Covered by Bank/ Government guarantee	3.28	-	3.28	27.11	-	27.11
(iv) Unsecured	1,738.10	-	1,738.10	1,769.64	-	1,769.64
Total - Gross	31,154.62	68,936.10	1,00,090.72	21,787.62	58,037.30	79,824.92
Less: Impairment loss allowance	221.03	356.83	577.86	196.79	327.38	524.17
Total - Net	30,933.59	68,579.27	99,512.86	21,590.83	57,709.92	79,300.75
(C) Out of above:						
I. Loans in India						
Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
	-	-	-	-	-	-
Others	31,154.62	68,936.10	1,00,090.72	21,787.62	58,037.30	79,824.92
Less: Impairment loss allowance	221.03	356.83	577.86	196.79	327.38	524.17
	30,933.59	68,579.27	99,512.86	21,590.83	57,709.92	79,300.75
II. Loans outside India	-	-	-	-	-	-
Total (I+II)	30,933.59	68,579.27	99,512.86	21,590.83	57,709.92	79,300.75

* The net value is the fair value of these loans

⁺ Loans due from borrowers are secured by equitable / registered mortgage of residential or commercial properties, hypothecation of rentals of collateral properties or hypothecation of cash flow of collateral properties.

[#] Loans secured by intangible assets is backed by development right as collateral.

Loans including instalment and interest outstanding amounts to ₹ 59.07 crore (Previous year ₹ 15.10 crore) in respect of properties held for disposal under Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 [SARFAESI].

The Company 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.

The Company reassessed its business model policy for financial instruments during the financial year 2024-25. Pursuant to the same, as per the requirement of Ind As 109 'financial instruments', the Company shall give its impact on loan portfolio (as applicable) with effect from 1 April 2025.

Summary of EIR impact on loans

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	At amortised Cost	At FVOCI	Total	At amortised Cost	At FVOCI	Total
Total Gross loan	31,437.87	68,679.93	1,00,117.80	22,033.87	57,925.81	79,959.68
Less: EIR impact	283.25	(256.17)	27.08	246.25	(111.49)	134.76
Total for gross term loan net of EIR impact	31,154.62	68,936.10	1,00,090.72	21,787.62	58,037.30	79,824.92

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2025				As at 31 March 2024			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	99,483.07	320.65	287.00	1,00,090.72	79,319.31	290.00	215.61	79,824.92
Less: Impairment loss allowance	333.60	71.34	172.92	577.86	319.15	67.58	137.44	524.17
Net carrying amount	99,149.47	249.31	114.08	99,512.86	79,000.16	222.42	78.17	79,300.75

Analysis of changes in the gross carrying amount and corresponding ECL allowances in relation to loans

(₹ in crore)

Particulars	For the year ended 31 March 2025							
	Stage 1		Stage 2		Stage 3		Total	
	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance	Term loans (Gross)	Impairment loss allowance
Balance as at the beginning of the year	79,319.31	319.15	290.00	67.58	215.61	137.44	79,824.92	524.17
Transfer during the year								
Transfer to stage 1	95.65	22.25	(87.22)	(18.87)	(8.43)	(3.38)	-	-
Transfer to stage 2	(210.04)	(1.63)	220.42	7.96	(10.38)	(6.33)	-	-
Transfer to stage 3	(129.35)	(1.10)	(57.82)	(15.34)	187.17	16.44	-	-
	(243.74)	19.52	75.38	(26.25)	168.36	6.73	-	-
Impact of changes in credit risk on account of stage movements	-	(19.84)	-	41.27	-	72.37	-	93.80
Changes in opening credit exposures (repayments net of additional disbursement)	(15,016.42)	(118.60)	(61.13)	(14.92)	(80.83)	(24.84)	(15,158.38)	(158.36)
New credit exposures during the year, net of repayments	35,423.92	133.37	16.40	3.66	6.07	3.43	35,446.39	140.46
Amounts written off during the year	-	-	-	-	(22.21)	(22.21)	(22.21)	(22.21)
Balance as at the end of the year	99,483.07	333.60	320.65	71.34	287.00	172.92	1,00,090.72	577.86

(₹ 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
Balance as at the beginning of the year	62,142.02	359.66	359.91	78.37	137.33	87.34	62,639.26	525.37
Transfer during the year								
Transfer to stage 1	129.37	30.90	(121.47)	(27.11)	(7.90)	(3.79)	-	-
Transfer to stage 2	(187.05)	(3.30)	193.38	6.95	(6.33)	(3.65)	-	-
Transfer to stage 3	(89.94)	(1.20)	(76.90)	(17.57)	166.84	18.77	-	-
	(147.62)	26.40	(4.99)	(37.73)	152.61	11.33	-	-
Impact of changes in credit risk on account of stage movements	-	(23.80)	-	37.94	-	74.71	-	88.85
Changes in opening credit exposures (repayments net of additional disbursement)	(15,518.71)	(186.98)	(79.06)	(15.08)	(31.54)	8.72	(15,629.31)	(193.34)
New credit exposures during the year, net of repayments	32,843.62	143.87	14.14	4.08	3.00	1.13	32,860.76	149.08
Amounts written off during the year	-	-	-	-	(45.79)	(45.79)	(45.79)	(45.79)
Balance as at the end of the year	79,319.31	319.15	290.00	67.58	215.61	137.44	79,824.92	524.17

Notes to financial statements for the year ended 31 March 2025 (Contd.)

9. Loans (Contd.)

Details of impairment of financial instruments disclosed in the Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Net impairment loss allowance charge/ (release) for the year	53.69	(1.20)
Amounts written off during the year	22.21	45.79
Impairment allowance on undrawn loan commitments	3.57	14.92
Impairment on loans	79.47	59.51
Add: Impairment on other assets	0.61	1.37
Impairment on financial instruments (Refer note no.33)	80.08	60.88

10. Investments

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(I) At fair value through other comprehensive income		
(i) In Government Securities	1,033.77	519.68
Add: Fair value gain/(loss)	15.84	0.70
	1,049.61	520.38
(ii) In State Development Bonds	260.64	-
Add: Fair value gain/(loss)	1.62	-
	262.26	-
Sub total (I) = (i+ii)	1,311.87	520.38
(II) At fair value through profit or loss		
(i) In mutual funds*	1.10	0.64
Add: Fair value gain/(loss)	0.09	0.03
	1.19	0.67
(ii) In T-Bill	1,220.37	1,417.89
Add: Fair value gain/(loss)	(0.11)	(0.37)
	1,220.26	1,417.52
Sub total (II) = (i+ii)	1,221.45	1,418.19
Total (I + II)	2,533.32	1,938.57

Out of above:

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
In India	2,533.32	1,938.57
Outside India	-	-
	2,533.32	1,938.57

* All the mutual investments are in the debt oriented schemes which includes investments for employee care fund of ₹ 1.19 crore (Previous year ₹ 0.67 crore).

-Impairment loss allowance recognised on investments is ₹ Nil. (Previous year ₹ Nil)

Notes to financial statements for the year ended 31 March 2025 (Contd.)

11. Other financial assets

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Security deposits	5.86	7.01
Receivables on assigned loans	345.55	275.57
Others*	14.63	3.50
	366.04	286.08
Less: Impairment loss allowance**	2.58	2.01
Total	363.46	284.07

* Includes receivable from pools purchased under direct assignment ₹ 5.44 crore (Previous year: ₹ 3.24 crore).

**Impairment loss allowance recognised on receivable on assigned loans is ₹ 2.50 crore (Previous year: ₹ 1.89 crore).

Reconciliation of impairment loss allowance on other financial assets

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Impairment loss allowance as at beginning of the year (a)	2.01	0.68
Increase during the year (b)	0.57	1.33
Decrease during the year (c)	-	-
Impairment loss allowance at the end of the year (a+b-c)	2.58	2.01

12. Income Tax**(a) (i) Current tax asset (Net)**

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Income tax paid in advance	75.53	31.09
-net of provision for income tax of ₹ 1447.86 crore (Previous year ₹ 837.20 crore)		
Total	75.53	31.09

(ii) Current tax liability (Net)

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Provision for Income tax	37.69	25.93
-net of tax paid in advance of ₹ 579.31 crore (Previous year ₹ 650.73 crore)		
Total	37.69	25.93

Notes to financial statements for the year ended 31 March 2025 (Contd.)

12. Income Tax (Contd.)

(iii) Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Profit before tax	2,770.23	2,161.32
Tax at corporate tax rate of 25.17% (Previous year: 25.17%)	697.27	544.01
Tax on expenditure not considered for tax provision (net of allowance)	10.93	18.36
Current tax adjustment of earlier years [#]	(25.36)	-
Tax impact on deduction under Section 36(1)(viii) of the Income tax Act, 1961	(75.51)	(59.15)
Tax Impact of reversal of opening deferred tax liability on special reserve under section 36(1)(viii) of the Income tax Act, 1961 [*]	-	(73.09)
Tax benefit on additional deductions	-	(0.03)
Tax expense (effective tax rate of 21.92%, Previous year 19.90%)	607.33	430.10

[#]The Company re-assessed its income tax position on deductibility of certain expenditure. Accordingly, the Company has reversed tax expense for earlier years amounting to ₹ 24.44 crore and reduced the current year's tax provision by ₹ 9.78 crore resulting in overall tax reduction of ₹ 34.22 crore during the year ended 31 March 2025.

^{*}During the year ended 31 March 2024, the Company had reviewed the probability of utilisation of the Special Reserve created u/s 36(1)(viii) of the Income Tax Act, 1961. Since there was no intention of utilisation of this special reserve in future and the deferred tax liability created on the said special reserve was not capable of being reversed, in the absence of any temporary difference, no deferred tax liability was required to be recognised. Consequent to this review, the deferred tax liability of ₹ 73.09 crore as at 1 April 2023, was reversed with corresponding credit to the Statement of Profit and Loss.

(b) Deferred tax assets (net)

Movement in Deferred tax assets / (liability)

For the year ended 31 March 2025

(₹ in crore)

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in equity	Balance as at 31 March 2025
I. Deferred tax asset					
Property, plant and equipment and Intangible assets	1.50	0.55	-	-	2.05
Remeasurements of employee benefits	2.12	3.48	0.48	-	6.08
Expected credit loss	114.99	-	-	-	114.99
EIR impact on financial instruments measured at amortised cost	0.25	(0.05)	-	-	0.20
Mark to market impact on fair value hedge	0.57	(0.05)	-	-	0.52
Right of use assets and lease liability	17.68	4.52	-	-	22.20
Fair value of security deposit	-	0.02	-	-	0.02
Unrealised net gain/ (loss) on fair value changes	0.10	(0.07)	-	-	0.03
Other temporary differences	-	0.42	-	-	0.42
Share issue expenses under section 35D of the Act	-	-	-	10.10	10.10
Gross deferred tax assets (I)	137.21	8.82	0.48	10.10	156.61
II. Deferred tax liabilities					
Receivables on assigned loans	69.35	17.62	-	-	86.97
Right of use assets and lease liability	16.74	4.36	-	-	21.10
Fair value on debt instruments designated under FVOCI	0.18	-	4.22	-	4.40
Gross deferred tax liabilities (II)	86.27	21.98	4.22	-	112.47
Deferred tax assets/ (liabilities), net (I-II)	50.94	(13.16)	(3.74)	10.10	44.14

Notes to financial statements for the year ended 31 March 2025 (Contd.)

For the year ended 31 March 2024

	(₹ in crore)			
Particulars	Balance as at 31 March 2023	Recognised in profit and loss	Recognised in OCI	Balance as at 31 March 2024
I. Deferred tax asset				
Property, plant and equipment and Intangible assets	1.02	0.48	-	1.50
Remeasurements of employee benefits	0.20	1.43	0.49	2.12
Expected credit loss	114.99	-	-	114.99
EIR impact on financial instruments measured at amortised cost	0.35	(0.10)	-	0.25
Mark to Market impact on fair value hedge	0.01	0.56	-	0.57
Right of use assets and lease liability	13.42	4.26	-	17.68
Unrealised net gain/ (loss) on fair value changes	-	0.10	-	0.10
Gross deferred tax assets (I)	129.99	6.73	0.49	137.21
II. Deferred tax liabilities				
Receivables on assigned loans	72.51	(3.16)	-	69.35
Deduction of special reserve as per section 36(1)(viii) of the Income Tax Act, 1961	73.09	(73.09)	-	-
Right of use assets and lease liability (net)	12.37	4.37	-	16.74
Fair value on debt instruments designated under FVTPL	0.24	(0.24)	-	-
Fair value on debt instruments designated under FVOCI	-	-	0.18	0.18
Other temporary differences	0.05	(0.05)	-	-
Gross deferred tax liabilities (II)	158.26	(72.17)	0.18	86.27
Deferred tax assets/ (liabilities), net (I-II)	(28.27)	78.90	0.31	50.94

13. Property, plant and equipment and intangible assets

For the year ended 31 March 2025

	Gross Block				Depreciation and amortisation				Net block
Particulars	As at 1 April 2024	Additions	Deductions/ adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ adjustments	For the year	As at 31 March 2025	As at 31 March 2025
Property, plant and equipment									
Buildings									
- Own use ^(a)	2.39	-	-	2.39	0.48	-	0.04	0.52	1.87
- Right of use - Buildings	91.53	25.97	1.99	115.51	53.72	1.61	14.95	67.06	48.45
Computers	30.69	9.34	6.08	33.95	15.29	3.58	5.75	17.46	16.49
Furniture and fixtures	13.88	1.14	4.66	10.36	6.87	2.97	1.47	5.37	4.99
Lease hold improvement	14.09	1.21	0.05	15.25	11.72	0.05	1.28	12.95	2.30
Vehicles	28.63	12.57	6.65	34.55	7.32	2.77	5.26	9.81	24.74
Office equipment	14.36	0.81	0.16	15.01	12.67	0.15	0.99	13.51	1.50
Total (i)	195.57	51.04	19.59	227.02	108.07	11.13	29.74	126.68	100.34
Intangible assets									
Computer software	60.29	16.28	-	76.57	24.93	-	11.41	36.34	40.23
Total (ii)	60.29	16.28	-	76.57	24.93	-	11.41	36.34	40.23
Total (i+ii)	255.86	67.32	19.59	303.59	133.00	11.13	41.15	163.02	140.57

Notes to financial statements for the year ended 31 March 2025 (Contd.)

13. Property, plant and equipment and intangible assets (Contd.)

For the year ended 31 March 2024

Particulars	Gross Block			Depreciation and amortisation				Net block	
	As at 1 April 2023	Additions	Deductions/ adjustments	As at 31 March 2024	As at 1 April 2023	Deductions/ adjustments	For the year	As at 31 March 2024	As at 31 March 2024
Property, plant and equipment									
Buildings									
- Own use ^(a)	2.39	-	-	2.39	0.45	-	0.04	0.48	1.91
- Right of use - Buildings	82.02	14.53	5.02	91.53	41.85	2.16	14.03	53.72	37.81
Computers	25.16	10.50	4.97	30.69	12.14	2.59	5.74	15.29	15.40
Furniture and fixtures	12.99	1.06	0.17	13.88	5.40	0.28	1.75	6.87	7.01
Lease hold improvement	14.23	0.43	0.57	14.09	10.24	0.44	1.92	11.72	2.37
Vehicles	19.04	13.37	3.78	28.63	4.61	1.73	4.44	7.32	21.31
Office equipment	14.82	0.29	0.75	14.36	11.04	0.52	2.15	12.67	1.69
Total (i)	170.65	40.18	15.26	195.57	85.73	7.72	30.07	108.07	87.50
Intangible assets									
Computer software	43.47	16.82	-	60.29	15.40	-	9.53	24.93	35.36
Total (ii)	43.47	16.82	-	60.29	15.40	-	9.53	24.93	35.36
Total (i+ii)	214.12	57.00	15.26	255.86	101.13	7.72	39.60	133.00	122.86

(a) Title deeds of immovable property (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of lessee) are held in the name of the Company.

(b) Useful life as used by the Company and as indicated in Schedule II are listed below:

Nature of assets	Useful life as per Schedule II	Useful life adopted by the Company
Building	60 years	60 years
Computers		
End user machines	3 years	4 years
Servers and networks	6 years	6 years
Office equipment	5 years	5 years
Furniture and fixtures		
Chairs	10 years	4 years
Other furniture and fixtures	10 years	10 years
Vehicles	8 years	6 years

- Based on internal technical assessment, the Management believes that the useful lives adopted by the Company best represent the period over which Management expects to use these assets.

- No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

- Company has not carried out any revaluation of property, plant and equipment during the year ended 31 March 2025 and 31 March 2024.

13(a). Intangible assets under development

Particulars	For the year ended 31 March	
	2025	2024
Opening balance	0.87	0.31
Additions during the year	15.86	17.02
Deductions/Adjustments	(16.21)	(16.46)
Closing balance	0.52	0.87

Notes to financial statements for the year ended 31 March 2025 (Contd.)

13(b). Aging for Intangible assets under development

(₹ in crore)

Particulars	As at	Amount for the period of				Total
		Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	31 March 25	0.52	-	-	-	0.52
Projects in progress	31 March 24	0.87	-	-	-	0.87

The Company does not have any project temporarily suspended or any Intangible asset under development which is overdue or has exceeded its cost compared to its original plan and hence Intangible asset under development completion schedule is not applicable.

14. Other non-financial assets

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Advances to suppliers	12.00	7.78
Others*	1.47	1.13
Total	13.47	8.91

* Includes excess CSR spend of ₹ 1.47 crore (Previous year: ₹ 1.13 crore)

Impairment loss allowance recognised on advances to suppliers is ₹ Nil (Previous year: ₹ 0.01 crore).

15. Payables

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Trade payables		
Total outstanding dues of micro enterprises and small enterprises [#]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	76.46	57.61
Total	76.46	57.61
Other payables		
Total outstanding dues of micro enterprises and small enterprises [#]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	104.29	82.75
Total	104.29	82.75

[#]Based on and to the extent of the information received by the Company from the suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and relied upon by the auditors, the relevant particulars as at the year end are furnished below:

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Principal amount due to suppliers under MSMED Act, as at the year end	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount as at the year end	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	0.12	0.71
Interest paid to suppliers under MSMED Act (Section 16) (₹ 2,819)	-	0.01
Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
Interest accrued and remaining unpaid at the year end to suppliers under MSMED Act	-	-

Notes to financial statements for the year ended 31 March 2025 (Contd.)

15. Payables (Contd.)

Trade Payable aging schedule as at 31 March 2025

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	73.01	3.45	-	-	-	76.46
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade Payable aging schedule as at 31 March 2024

(₹ in crore)

Particulars	Not due	Unbilled	Outstanding from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	57.05	0.56	-	-	-	57.61
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

16. Debt securities

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
At amortised cost		
Secured and fully paid		
Privately placed redeemable non-convertible debentures*	36,001.63	22,725.94
Unsecured		
Borrowings by issue of commercial paper	2,241.14	2,650.29
Privately placed partly paid redeemable non-convertible debentures	1,522.93	1,269.10
	3,764.07	3,919.39
Total	39,765.70	26,645.33
Out of above		
In India	39,765.70	26,645.33
Outside India	-	-
Total	39,765.70	26,645.33

*All the Privately placed secured redeemable non-convertible debentures of the Company including those issued during the year ended 31 March 2025 are fully secured by hypothecation of book debts/loan receivables to the extent as stated in the respective information memorandum. Further, the Company has, at all times, for the non-convertible debentures, maintained asset cover as stated in the respective information memorandum which is sufficient to discharge the principal amount, interest accrued thereon and such other sums as mentioned therein.

The quarterly statements or returns of assets filed by the Company with banks, financial institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 500 crore during the year ended 31 March 2025 (Previous year ₹ 1,750 crore). The total outstanding as on 31 March 2025 is ₹ 2,350 crore (Previous year ₹ 1,850 crore).

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Terms of repayment of non convertible debenture (NCDs) as at 31 March 2025

(₹ in crore)

Original maturity (In no. of years)	Due within 1 year	Due in 1 to 2 years	Due in 2 to 3 years	More than 3 years	Total
Redeemable at par (at face value)					
Up to 2 years	1,000.00	-	-	-	1,000.00
2 to 3 years	6,350.00	5,120.00	-	-	11,470.00
3 to 4 years	720.00	-	5,175.00	-	5,895.00
More than 4 years	-	-	1,846.00	15,933.00	17,779.00
Interest accrued	1,399.68				1,399.68
Fair value gain/ (loss) on NCD hedged through interest rate swap					43.29
Impact of EIR (including premium and discount on NCD)					(62.41)
Total					37,524.56

-Interest rate ranges from 5.75% to 8.11% p.a as at 31 March 2025

-Amount to be called and paid is ₹ 120 crore in Jan 2026 for partly paid NCD

-Amount to be called and paid is ₹ 168 crore in Mar 2026 for partly paid NCD

Terms of repayment of non convertible debenture (NCDs) as at 31 March 2024

(₹ in crore)

Original maturity (In no. of years)	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
Redeemable at par (at face value)					
Up to 2 years	1,250.00	1,000.00	-	-	2,250.00
2 to 3 years	-	4,675.00	1,000.00	-	5,675.00
3 to 4 years	3,135.00	2,395.00	1,500.00	-	7,030.00
More than 4 years	-	-	-	8,277.00	8,277.00
Interest accrued	821.58	-	-	-	821.58
Fair value gain/ (loss) on NCD hedged through interest rate swap					13.09
Impact of EIR (including premium and discount on NCD)					(71.63)
Total					23,995.04

-Interest rate ranges from 5.00% to 8.00% p.a as at 31 March 2024

-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.

Terms of repayment of commercial paper

(₹ in crore)

Original maturity (In no. of years)	As at 31 March	
	2025	2024
Issued at discount and redeemable at par		
Up to 1 years	2,230.60	2,605.14
Impact of EIR (including interest accrued)	10.54	45.15
Total	2,241.14	2,650.29

-Interest rate ranges from 7.45% to 7.75% p.a as at 31 March 2025 (Previous year 7.48% to 8.03% p.a)

-As at 31 March 2025, face value of commercial paper is ₹ 2,300 crore (Previous year ₹ 2,750 crore)

Notes to financial statements for the year ended 31 March 2025 (Contd.)

17. Borrowings (other than debt securities)

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
At amortised cost		
Secured		
Term loans from banks*	32,892.63	34,542.75
Loans repayable on demand from banks*		
Cash credit / Overdraft facility	256.75	56.95
Working capital demand loan/Short term loan	546.90	862.44
Triparty repo dealing and settlement (TREPs) against government securities	199.93	-
Term loans from National Housing Bank (NHB) [§]	8,372.40	6,837.59
	42,268.61	42,299.73
Out of above:		
In India	42,268.61	42,299.73
Outside India	-	-
	42,268.61	42,299.73

The Company has not been declared a wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

*Nature of security for term loans taken from Banks

Secured against hypothecation of book debts, loan receivables and other receivables.

The quarterly statements or returns of assets filed by the Company with banks, financial institutions and debenture trustees are in agreement with books of accounts. The amount reported in quarterly statements is adjusted for net stage 3 loan balances, interest accrued but not due and loans to related parties as required by banks, financial institutions and debenture trustees.

§Nature of security for term loans taken from NHB

(i) All the outstanding refinancing from NHB are secured by hypothecation of specific loans/ book debts to the extent of 1.05 and 1.10 times of outstanding amount as per respective sanctioned terms.

(ii) The Company has availed refinance facility from NHB of ₹ 2,893.75 crore during the year ended 31 March 2025 (Previous year ₹ 5,499.38 crore) against eligible individual Housing loans under various refinance schemes including Affordable Housing Scheme.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

Terms of repayment of term loan from banks as at 31 March 2025

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 Years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
Quarterly principal payment										
More than 4 years	96	2,004.37	88	2,167.83	65	1,667.62	108	1,814.77	357	7,654.59
Half yearly principal payment										
More than 4 years	71	2,959.84	100	4,337.39	93	3,581.63	197	7,153.44	461	18,032.30
Yearly principal payment										
More than 4 years	7	613.33	7	1,063.33	10	1,080.00	18	1,596.67	42	4,353.33
Bullet payment on maturity										
Up to 3 years	-	-	-	-	2	150.00	-	-	2	150.00
More than 4 years	-	-	1	500.00	2	2,200.00	-	-	3	2,700.00
Interest accrued										3.33
Impact of EIR										(0.92)
Total									865	32,892.63

-Interest rate ranges from 7.14 % p.a. to 8.55 % p.a. as at 31 March 2025.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Terms of repayment of term loan from NHB as at 31 March 2025

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
More than 4 years	111	883.30	148	1,177.73	148	1,177.73	651	5,133.64	1,058	8,372.40
Interest accrued										-
Impact of EIR										-
Total									1,058	8,372.40

Interest rate ranges from 5.25 % p.a. to 8.45 % p.a. as at 31 March 2025.

Terms of repayment of working capital demand loan as at 31 March 2025

(₹ in crore)

Original maturity of loan	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	546.27	-	-	-	546.27
Interest accrued and impact of EIR					0.63
Total					546.90

Interest rate ranges from 7.87 % p.a. to 9.00 % p.a. as at 31 March 2025.

TREPS as at 31 March 2025

(₹ in crore)

Original maturity of loan	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	199.87	-	-	-	199.87
Interest accrued and impact of EIR					0.06
Total					199.93

Interest rate ranges from 6.00 % p.a. to 6.05 % p.a. as at 31 March 2025.

Terms of repayment of term loans from banks as at 31 March 2024

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
Quarterly principal payment										
3-4 years	2	200.00	-	-	-	-	-	-	2	200.00
More than 4 years	121	2,601.53	104	2,073.42	92	2,228.54	161	3,246.68	478	10,150.17
Half yearly principal payment										
3-4 years	2	142.86	-	-	-	-	-	-	2	142.86
More than 4 years	64	2,107.51	70	2,864.01	78	3,587.01	182	7,193.79	394	15,752.32
Yearly principal payment										
3-4 years	1	375.00	-	-	-	-	-	-	1	375.00
More than 4 years	12	868.33	8	673.33	9	1,163.33	29	2,016.67	58	4,721.66
Bullet payment on maturity										
3-4 years	1	500.00	-	-	-	-	-	-	1	500.00
More than 4 years	-	-	-	-	1	500.00	2	2,200.00	3	2,700.00
Interest accrued										3.23
Impact of EIR										(2.49)
Total									939	34,542.75

Interest rate ranges from 5.05 % p.a. to 9.15 % p.a. as at 31 March 2024.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

17. Borrowings (other than debt securities) (Contd.)

Terms of repayment of term loan from NHB as at 31 March 2024

Original maturity of loan (as per sanction)	Due within 1 year		Due 1 to 2 years		Due 2 to 3 years		More than 3 years		Total	
	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore	Total No. of instalments	₹ in crore
Quarterly principal payment										
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									831	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 working capital demand loan as at 31 March 2024

Original maturity of loan					(₹ in crore)
	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	862.24	-	-	-	862.24
Interest accrued and impact of EIR					0.20
Total					862.44

18. Deposits

Particulars	As at 31 March	
	2025	2024
Unsecured		
At amortised cost		
From others (Inter corporate deposit)	37.61	184.26
Total	37.61	184.26

Terms of repayment of Deposits as at 31 March 2025

Original maturity					(₹ in crore)
	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	32.83	-	-	-	32.83
Over 1 to 2 years	-	2.00	-	-	2.00
More than 3 years	1.20	-	-	-	1.20
Interest accrued	1.58	-	-	-	1.58
Total					37.61

Interest rate ranges from 7.50 % p.a. to 7.80 % p.a.

Terms of repayment of Deposits as at 31 March 2024

Original maturity					(₹ in crore)
	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
On maturity (Bullet)					
Up to 1 year	10.83	-	-	-	10.83
Over 1 to 2 years	165.34	-	-	-	165.34
Over 2 to 3 years	-	1.20	-	-	1.20
Interest accrued	6.89	-	-	-	6.89
Total					184.26

Interest rate ranges from 7.28 % p.a. to 7.80 % p.a.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

19. Other financial liabilities

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Security deposits	0.08	0.08
Lease liability ⁺	51.53	41.54
Amount payable on swaps and other derivatives	1.73	1.73
Payable to assignment partners	318.89	87.97
Others*	117.31	102.82
Total	489.54	234.14

* Includes amount for employee care fund of ₹ 1.40 crore (Previous year ₹ 0.92 crore).

+ Disclosures as required by Ind AS 116 'Leases'

The Company has taken various office premises under lease. The period of lease agreements are ranging for a period 36 to 120 months (Previous year period ranging 36 to 108 months) . Lease liabilities are recognised in Balance Sheet at initial application basis incremental borrowing rate of similar tenure ranging from 7.60% to 8.00% (Previous year 5.26% to 8.20%).

a. Lease liability movement

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening balance / Transition adjustment	41.54	44.33
Add:		
Addition during the year	24.26	14.53
Interest on lease liability	3.45	2.90
Less:		
Deletion during the year	0.42	3.47
Lease rental payments	17.30	16.75
Balance at the end of the year	51.53	41.54

b. Lease rentals of ₹ 1.26 crore (Previous year ₹ 1.10 crore) pertaining to short-term leases, low value assets and GST disallowance on lease rentals have been charged to Statement of Profit and Loss.

c. Undiscounted future lease cash outflow for all leased assets

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Not later than one year	18.22	14.75
Later than one year but not later than five years	40.08	32.77
Later than five years	0.64	0.04

d. Maturity analysis of lease liability

Particulars	(₹ in crore)	
	As at 31 March 2025	
	Within 12 months	After 12 months
Lease Liability	14.86	36.67
	As at 31 March 2024	
	Within 12 months	After 12 months
	12.12	29.42

Notes to financial statements for the year ended 31 March 2025 (Contd.)

19. Other financial liabilities (Contd.)

e. Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Interest on lease liabilities (Refer note no.31)	3.45	2.90
Depreciation charge for the year	14.95	14.03
(Gain)/loss on pre-mature lease closure	(0.04)	(0.61)
Total	18.36	16.32

20. Provisions

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Provision for employee benefits		
Gratuity (refer note no.40)	11.75	3.52
Compensated absences	1.21	1.63
Other long term service benefits	3.51	3.25
Others provisions		
Impairment allowance on undrawn loan commitments	30.82	27.24
Total	47.29	35.64

21. Other non-financial liabilities

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Statutory dues	31.73	26.42
Others	3.03	0.95
Total	34.76	27.37

22. Equity share capital

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Authorised				
Equity shares of ₹ 10 each	9,00,00,00,000	9,000.00	8,00,00,00,000	8,000.00
Issued				
Equity shares of ₹ 10 each	8,32,81,46,701	8,328.15	6,71,21,55,564	6,712.16
Subscribed and fully paid up				
Equity shares of ₹ 10 each fully called up and paid up	8,32,81,46,701	8,328.15	6,71,21,55,564	6,712.16
Total	8,32,81,46,701	8,328.15	6,71,21,55,564	6,712.16

Notes to financial statements for the year ended 31 March 2025 (Contd.)

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

Equity share capital issued, subscribed and fully paid up	As at 31 March 2025		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Outstanding at the beginning of the year	6,71,21,55,564	6,712.16	6,71,21,55,564	6,712.16
Add: Issue of equity shares through right basis	1,10,74,19,709	1,107.42	-	-
Add: Issue of equity shares through IPO	50,85,71,428	508.57	-	-
Add: Issued during the year to trust for employees pursuant to ESOP scheme	-	-	-	-
Outstanding at the end of the year	8,32,81,46,701	8,328.15	6,71,21,55,564	6,712.16

The Company has allotted 1,10,74,19,709 equity shares having face value of ₹ 10 each under right issue to its Holding Company (Bajaj Finance Limited) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,99,944.54.

During the year the Company has made an Initial Public Offering (IPO) for 93,71,42,856 equity shares of ₹ 10 each, comprising a fresh issue of 50,85,71,428 equity shares of the Company and 42,85,71,428 equity shares offered for sale by selling shareholders. The equity shares were issued at a price of ₹ 70 per equity share (including a Share Premium of ₹ 60 per equity share). Pursuant to the aforesaid allotment of equity shares, the issued, subscribed and paid-up capital of the Company stands increased to ₹ 83,28,14,67,010 (8,32,81,46,701 Equity shares of ₹ 10 each). The Company's equity shares got listed on National Stock Exchange of India Limited and on BSE Limited on 16 September 2024.

Objects of the issue as per prospectus	₹ in crore		
	Amount to be utilised	Amount utilised upto 31 March 2025	Total amount unutilised up to 31 March 2025
Augmenting capital base to meet the future business requirements of the Company towards onward lending	3,499.55	3,499.55	-
Estimated IPO expenses*	60.45	53.54	6.91
Total	3,560.00	3,553.09	6.91

*Unutilised amount from estimated IPO expenses which are parked in escrow accounts shall be received upon submission of requisite documents.

b. Terms/rights/restrictions attached to equity shares

The Company has only one class of equity shares having a face value of ₹ 10 per share. All these equity shares have the same rights and preferences with respect to payment of dividend, repayment of capital and voting. Repayment of capital will be in proportion to the number of equity shares held by the shareholders.

c. Shares held by holding company (Face value ₹10 per share)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finance Limited*	7,39,10,03,845	7,391.00	6,71,21,55,564	6,712.16

*A subsidiary of Bajaj Finserv Limited

d. Details of shareholders holding more than 5% shares in the Company (Face value ₹10 per share)

Particulars	As at 31 March 2025		As at 31 March 2024	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finance Limited (Holding Company)	7,39,10,03,845	88.75%	6,71,21,55,564	100%

Notes to financial statements for the year ended 31 March 2025 (Contd.)

22. Equity share capital (Contd.)

e. Details of shareholding of promoters and promoters group

Name of Promoter and Promoter Group	As at 31 March 2025		As at 31 March 2024		% Changes during the year	% Changes during previous year
	No. of Shares	% Holding	No. of Shares	% Holding		
Promoter						
Bajaj Finance Limited	7,39,10,03,845	88.75%	6,71,21,55,564	100%	(11.25%)	-
Bajaj Finserv Limited	-	-	-	-	-	-
Promoter Group						
Sanjiv Bajaj	-	-	-	-	-	-
Bajaj Allianz General Insurance Company Limited	-	-	-	-	-	-
Bajaj Allianz Life Insurance Company Limited	-	-	-	-	-	-
Bajaj Financial Securities Limited	-	-	-	-	-	-
Bajaj Finserv Asset Management Limited	-	-	-	-	-	-
Bajaj Finserv Direct Limited	-	-	-	-	-	-
Bajaj Finserv Health Limited	-	-	-	-	-	-
Bajaj Finserv Mutual Fund Trustee Limited	-	-	-	-	-	-
Bajaj Finserv Ventures Limited	-	-	-	-	-	-
Bajaj Holdings & Investment Limited	-	-	-	-	-	-
Pennant Technologies Private Limited	-	-	-	-	-	-
Snapwork Technologies Private Limited	-	-	-	-	-	-
VH Medcare Private Limited	-	-	-	-	-	-
Vidal Health Insurance TPA Private Limited	-	-	-	-	-	-
Vidal Healthcare Services Private Limited	-	-	-	-	-	-
Bajaj Allianz Financial Distributors Limited	-	-	-	-	-	-

f. Shares reserved for issue under employee stock option plan

S. N.	Particulars	No. of Stock options/Equity shares	
		As at 31 March	
		2025	2024
a.	Number of equity shares approved/reserved for issue under Employee Stock Option Plan, 2024 to employees of the Company drawn in accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) (i.e. 5% of the then subscribed and paid up share capital)	39,09,78,763	-
b.	Options granted under the scheme	1,72,38,118	-
c.	Options cancelled and added back to pool for future grants	6,82,978	-
d.	Options granted net of cancellation under the scheme (d = b-c)	1,65,55,140	-
e.	Balance available under the scheme for future grants (e=a-d)	37,44,23,623	-
f.	Equity shares allotted to Bajaj Housing Finance ESOP Trust	-	-
g.	Stock options exercised	-	-
h.	Balance stock options available with BFL Employee Welfare Trust (h = f-g)	-	-

Notes to financial statements for the year ended 31 March 2025 (Contd.)

23. Other equity

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(i) Securities premium		
Balance as at the beginning of the year	837.72	837.72
Add: Received during the year		
On Right issue of shares	892.58	-
On Initial Public Offering	3,051.43	-
Less: Share issues expenses (net of taxes)		
On Right issue of shares	0.10	-
On Initial Public Offering	37.56	-
Balance as at the end of the year (i)	4,744.07	837.72
(ii) Statutory reserve in terms of Section 29C of the NHB Act, 1987		
Balance as at the beginning of the year		
(a) Statutory Reserve u/s 29C of the NHB Act, 1987	415.70	304.45
(b) Additional statutory reserve u/s 29C of the NHB Act, 1987	22.66	22.66
(c) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	525.40	290.40
Total	963.76	617.51
Addition / appropriation / withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	132.58	111.25
(b) Additional amount transferred u/s 29C of the NHB Act, 1987	-	-
(c) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	300.00	235.00
Less:		
(a) Amount appropriated from the statutory reserve u/s 29C of the NHB Act, 1987	-	-
(b) Additional amount appropriated from the statutory reserve u/s 29C of the NHB Act, 1987	-	-
(c) Amount withdrawn from the Special Reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance as at the end of the year		
(a) Statutory reserve u/s 29C of the NHB Act, 1987	548.28	415.70
(b) Additional statutory reserve u/s 29C of the NHB Act, 1987	22.66	22.66
(c) Amount of special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	825.40	525.40
Balance as at the end of the year (ii)	1,396.34	963.76

Notes to financial statements for the year ended 31 March 2025 (Contd.)

23. Other equity (Contd.)

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
(iii) Retained earnings		
Balance as at the beginning of the year	3,719.33	2,335.80
Profit for the year	2,162.90	1,731.22
Item of other comprehensive income recognised directly in retained earnings		
- on defined benefit plan	(1.45)	(1.44)
	5,880.78	4,065.58
Less: Appropriations:		
- Transfer to statutory reserve in terms of Section 29C of the NHB Act, 1987	132.58	111.25
- Transfer to additional statutory reserve in terms of Section 29C of the NHB Act, 1987	-	-
- Transfer to special reserve u/s 36(1)(viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	300.00	235.00
Total appropriations	432.58	346.25
Balance as at the end of the year (iii)	5,448.20	3,719.33
(iv) Share options outstanding account		
Balance at the beginning of the year	-	-
Addition during the year	16.97	-
Balance at the end of the year (iv)	16.97	-
(v) Other comprehensive income		
On debt instrument through OCI		
Balance at the beginning of the year	0.53	-
Addition during the year	12.54	0.53
Balance at the end of the year (v)	13.07	0.53
Total (i to v)	11,618.65	5,521.34

Nature and purpose of other equity

i. Securities premium

Securities premium is used to record the premium on issue of shares. The premium received during the year represents the premium received towards allotment of shares. It can be utilised only for limited purposes in accordance with the provisions of the Companies Act, 2013.

ii. Statutory reserve in terms of Section 29C of the National Housing Bank Act, 1987

Reserve fund is created as per the Section 29C of the National Housing Bank Act, 1987, which requires every housing finance company to create a reserve fund and transfer therein a sum not less than twenty percent of its net profit every year as disclosed in the profit and loss account and before any dividend is declared. The Company has transferred twenty percent of its net profit during the year to the reserve fund. This includes Special Reserve created to avail the deduction as per the provisions of Section 36(1)(viii) of the Income Tax Act, 1961 on profits derived from the business of providing long-term finance for construction or purchase of houses in India for residential purposes.

iii. Retained earnings

Retained earnings represents the surplus in profit and loss account after appropriation.

The Company recognises change on account of remeasurement of the net defined benefit liability (asset) as part of retained earnings with separate disclosure, which comprises of:

- actuarial gains and losses and
- return on plan assets, excluding amounts included in net interest on the net defined benefit liability/ (asset).

Notes to financial statements for the year ended 31 March 2025 (Contd.)

iv. Other comprehensive income

(a) On loans

The Company 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 FVOCI debt investments reserve. The Company 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.

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Balance as at the beginning of the year	-	-
Fair value changes	29.45	(41.40)
Impairment loss allowances transferred to profit or loss	(29.45)	41.40
Balance as at the end of the year	-	-

(b) Investment measured at FVOCI

The Company 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 FVOCI debt investments reserve. The Company 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.

v. Share options outstanding account

Share options outstanding account is created as required by Ind AS 102 'Share Based Payments' on the Employee Stock Option Scheme operated by the Company for employees of the Company.

24. Interest income

(₹ in crore)

Particulars	For the year ended 31 March 2025				For the year ended 31 March 2024			
	On financial assets measured at				On financial assets measured at			
	Amortised Cost*	FVOCI*	FVTPL	Total	Amortised Cost*	FVOCI*	FVTPL	Total
On loans [#]	2,862.35	5,939.36	-	8,801.71	2,046.16	5,039.51	-	7,085.67
On investments	3.74	61.03	94.34	159.11	1.32	10.89	99.57	111.78
On deposits	24.99	-	-	24.99	4.91	-	-	4.91
Other interest Income	0.34	-	-	0.34	-	-	-	-
Total	2,891.42	6,000.39	94.34	8,986.15	2,052.39	5,050.40	99.57	7,202.36

*As per effective interest rate (EIR). Refer note no. 4.1(i)

[#]Net of interest on credit impaired assets amounting to ₹ 25.37 crore (Previous year ₹ 18.53 crore).

25. Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Distribution income	145.08	78.49
Service and administration charges	33.67	37.57
Foreclosure income	22.43	22.17
Total	201.18	138.23

Notes to financial statements for the year ended 31 March 2025 (Contd.)

26. Net gain on fair value changes

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Net gain/ (loss) on financial instruments measured at fair value through profit or loss on trading portfolio*		
Realised gain/ (loss) on investments at FVTPL	164.00	134.55
Unrealised gain/ (loss) on investments at FVTPL #	0.26	(1.35)
Total	164.26	133.20

*Net of gain/ (loss) on investments held for employee care fund amounting to ₹ 0.07 crore (Previous year ₹ 0.06 crore)

#Includes reversal of unrealised gain/(loss) on FVTPL investments recognised in prior years, relating to financial instruments that were subsequently sold.

27. Sale of services

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Service charges	5.54	15.37
Service fees for management of assigned portfolio of loans	27.30	37.11
Total	32.84	52.48

28. Income on derecognised (assigned) loans

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Income on derecognised (assigned) loans	143.73	53.08
Total	143.73	53.08

29. Other operating income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Bad debt recoveries	21.63	15.96
Digital advertisement charges	24.62	18.50
Miscellaneous charges and receipts	1.20	3.50
Total	47.45	37.96

30. Other income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Rent income	0.22	0.22
Miscellaneous income	0.13	0.18
Total	0.35	0.40

Notes to financial statements for the year ended 31 March 2025 (Contd.)

31. Finance costs

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Finance cost on financial liabilities measured at amortised cost:		
On debt securities	2,582.28	1,725.78
On borrowings other than debt securities	3,385.85	2,951.22
On deposits	7.46	12.71
On lease liability	3.45	2.90
Other interest expense:		
On net defined benefit liability of gratuity	0.22	-
Total	5,979.26	4,692.61

32. Fees and commission expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Loan portfolio management service charges	11.93	11.71
Total	11.93	11.71

33. Impairment on financial instruments

Particulars	(₹ in crore)					
	For the year ended 31 March 2025			For the year ended 31 March 2024		
	At Amortised Cost	At FVOCI	Total	At Amortised Cost	At FVOCI	Total
On loans [#]	34.85	44.62	79.47	58.96	0.55	59.51
On Others	0.61	-	0.61	1.37	-	1.37
Total	35.46	44.62	80.08	60.33	0.55	60.88

[#]Net of interest on credit impaired assets amounting to ₹ 25.37 crore (Previous Year ₹ 18.53 crore).

34. Employee benefits expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Employees emoluments	418.66	409.24
Contribution to provident fund and other funds	13.95	13.39
Gratuity expense (Refer note 40)	6.08	4.95
Share based payments to employees	38.86	30.64
Staff welfare expenses	6.08	7.41
Total	483.63	465.63

Notes to financial statements for the year ended 31 March 2025 (Contd.)

35. Other expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Outsourcing / back office expenses	36.00	38.67
Information technology expenses	39.71	30.26
Expenditure towards Corporate Social Responsibility activities ⁺	31.42	20.67
Travelling expenses	28.61	28.01
Repairs, maintenance and office expenses	17.04	15.06
Communication expenses	10.34	10.30
Legal and professional charges	8.15	5.37
Employee training, recruitment and management cost	8.06	9.96
Rent, taxes and energy cost	5.60	7.40
Director's fees, commission and expenses	4.81	2.91
Advertisement, branding and promotion expenses	3.75	3.65
Net loss on disposal of property, plant and equipment	2.72	0.77
Customer experience cost	2.13	1.94
Bank charges	2.03	2.10
Printing and stationery expenses	1.97	1.95
Auditors' fees and expenses [*]	0.78	0.59
Insurance charges	0.34	0.30
Miscellaneous expenses	6.22	6.05
Total	209.68	185.96

* Auditors' fees and expenses[#]

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
As auditor		
Audit fee	0.42	0.30
Tax audit fee	0.06	0.04
Limited review fee	0.11	0.09
In other capacity		
Other services	0.05	0.04
Reimbursement of expenses	0.08	0.07
Total	0.72	0.54
Total including GST disallowance	0.78	0.59

[#] Excludes fees of ₹ 1.31 crore (including GST disallowance) incurred during the year in respect of fund raised through Initial Public Offering, adjusted against securities premium (Previous year ₹ Nil).

Notes to financial statements for the year ended 31 March 2025 (Contd.)

* Corporate social responsibility expenditure

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
(a) Gross amount required to be spent by the Company during the year	31.42	20.67
(b) Amount spent during the year on:		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	31.76	21.16
(c) Shortfall at the end of the year	-	-
(d) Total of previous years shortfall	-	-
(e) Reason for shortfall	NA	NA
(f) Nature of CSR activities (activities as per Schedule VII)	Activities mentioned in i, ii	Activities mentioned in i, ii, iii
(g) Details of related party transactions	-	-
(h) Where a provision is made with respect to a liability incurred by entering into a contractual obligation	-	-

Excess amount spent as per Section 135 (5) of the Companies Act, 2013

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening balance	1.13	0.64
Amount spent during the year	31.76	21.16
	32.89	21.80
Amount required to be spent during the year	31.42	20.67
Closing balance	1.47	1.13

36. Earnings per share (EPS)

Basic EPS is calculated by dividing the net profit for the year attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares of the Company.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year ended 31 March	
	2025	2024
(A) Net profit attributable to equity shareholders (₹ in crore)	2,162.90	1,731.22
(B) Weighted average number of equity shares for basic earnings per share	8,092,176,495	6,712,155,564
Effects of dilution:		
Employee stock option	6,413,362	-
(C) Weighted average number of equity shares for diluted earnings per share	8,098,589,857	6,712,155,564
Earning per share (Basic) (₹) (A/B)	2.67	2.58
Earning per share (Diluted) (₹) (A/C)	2.67	2.58

37. Segment information

The Company is engaged primarily in the business of financing and accordingly there are no separate reportable segments as per Ind AS 108 dealing with Operating Segment. The Company operates in a single geographical segment i.e. domestic. No single customer represents 10% or more of the total revenue for the year ended 31 March 2025 and 31 March 2024.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

38. Transfer of financial assets that are derecognised in their entirety but where the Company has continuing involvement

The Company has not transferred any assets that are derecognised in their entirety where the Company continues to have continuing involvement.

39(a). Revenue from contract with customers

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Type of Services		
(i) Fees and service income:		
Distribution income	145.08	78.49
Service and administration charges	33.67	37.57
Foreclosure income	22.43	22.17
Service charges	5.54	15.37
(ii) Other services:		
Digital advertisement charges	24.62	18.50
	231.34	172.10
Geographical markets		
India	231.34	172.10
Outside India	-	-
	231.34	172.10
Timing of revenue recognition		
Services transferred at a point in time	206.72	153.60
Services transferred over time	24.62	18.50
Total	231.34	172.10

Contract balances

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Fees, commission and other receivables	21.97	13.41

Impairment allowance recognised for contract balances is ₹ 0.09 crore (Previous year ₹ 0.05 crore)

39(b). Details of segment wise income from insurance partners as required by Insurance Regulatory and Development Authority of India (IRDAI) are as below

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Income from insurance intermediation		
Commission income - Life insurance	114.70	13.78
Commission income - General insurance	4.94	0.47
Total	119.64	14.25

The Company received Corporate Agency (CA) license from the Insurance Regulatory and Development Authority of India (IRDAI) on 22 December 2023. The Company entered into agreements with various insurance partners as a corporate agent and commission income during the year as disclosed above.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

40. Employee benefits plan**(I) Defined benefit plans****(A) Gratuity**

The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, an employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service, managerial grade and salary at retirement age.

Type of Risk	Description of risk
Changes in discount rate	The present value of defined benefit plan liabilities is calculated using a discount rate which is determined by reference to government bonds' yields at the end of the reporting period. A decrease/(increase) in discount rate will increase/(decrease) present values of plan liabilities and plan investment asset.
Salary escalation risk	The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants calculated by applying estimated salary escalation rate. Any deviation in actual salary escalation can have impact on plan liability.
Attrition rate risk	If the actual employee withdrawal rate in the future turns out to be more or less than expected then it may result in increase/decrease in the liability.
Mortality rate risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase/decrease in the life expectancy of the plan participants can have impact on plan liability.

(i) Movement in defined benefit obligations

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Defined benefit obligation as at the beginning of the year	40.29	31.99
Current service cost	6.08	5.17
Past service cost	-	-
Interest on defined benefit obligation	2.80	2.30
Remeasurement (gain)/ loss:		
Actuarial (gain)/ loss arising from change in financial assumptions	1.63	0.86
Actuarial (gain)/ loss arising from change in demographic assumptions	-	-
Actuarial (gain)/ loss arising on account of experience changes	0.40	1.64
Benefits paid	(2.66)	(1.50)
Liabilities assumed / (settled)*	(0.27)	(0.17)
Defined benefit obligation as at the end of the year	48.27	40.29

* On account of business combination within the group

(ii) Movement in plan assets

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Fair value of plan asset as at the beginning of the year	36.77	34.35
Employer contributions	-	1.00
Interest on plan assets	2.58	2.52
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	0.10	0.57
Benefits paid	(2.66)	(1.50)
Assets acquired / (settled)*	(0.27)	(0.17)
Fair value of plan asset as at the end of the year	36.52	36.77

* On account of business combination within the group

Notes to financial statements for the year ended 31 March 2025 (Contd.)

40. Employee benefits plan (Contd.)

(iii) Reconciliation of net liability/ (asset)

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Net defined benefit liability/ (asset) as at the beginning of the year	3.52	(2.36)
Expense charged to Statement of Profit & Loss	6.30	4.95
Amount recognised in other comprehensive income	1.93	1.93
Employers contribution	-	(1.00)
Net defined benefit liability/ (asset) as at the end of the year	11.75	3.52

(iv) Expenses charged to the Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Current service cost	6.08	4.95
Interest cost	0.22	-
Total	6.30	4.95

(v) Remeasurement (gains)/losses in other comprehensive income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Opening amount recognised in other comprehensive income	0.43	(1.50)
Changes in financial assumptions	1.63	0.86
Changes in demographic assumptions	-	-
Experience adjustments	0.40	1.64
Actual return on plan assets less interest on plan assets	(0.10)	(0.57)
Closing amount recognized in other comprehensive income	2.36	0.43

(vi) Amount recognised in Balance Sheet

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Present value of funded defined benefit obligation (A)	48.27	40.29
Fair value of plan assets (B)	36.52	36.77
Net defined benefit liability/(asset) recognised in balance sheet (A-B)	11.75	3.52

(vii) Key actuarial assumptions

Particulars	As at 31 March	
	2025	2024
Discount rate (p.a)	6.80%	7.20%
Salary escalation rate (p.a.)	11.00%	11.00%
Attrition Rate (Rates are segregated between junior staff/senior staff of the Company and between different age group)	7%/9%/10%/16%/18%	7%/9%/10%/16%/18%
Category of plan assets		
Insurer managed funds	100.00%	100.00%

Notes to financial statements for the year ended 31 March 2025 (Contd.)

(viii) Sensitivity analysis for significant assumptions is as shown below:

Particulars	As at 31 March 2025		As at 31 March 2024	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(4.20%)	4.29%	(4.22%)	4.33%
Impact of decrease in 50 bps on defined benefit obligation	4.49%	(4.06%)	4.51%	(4.10%)

(ix) Projected plan cash flow

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Maturity Profile		
Expected benefits for year 1	3.35	2.93
Expected benefits for year 2	3.59	2.97
Expected benefits for year 3	3.67	3.18
Expected benefits for year 4	3.74	3.23
Expected benefits for year 5	3.82	3.25
Expected benefits for year 6	3.86	3.55
Expected benefits for year 7	8.72	3.31
Expected benefits for year 8	5.82	7.20
Expected benefits for year 9	3.09	4.95
Expected benefits for year 10 and above	57.26	50.80

(x) Expected contribution to fund in the next year

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Expected contribution to fund in the next year	2.00	1.00

(B) Long-term service benefit liability

Particulars	(₹ in crore)	
	As at 31 March	
	2025	2024
Present value of unfunded obligations	3.51	3.25
Expense recognised in the Statement of Profit and Loss	0.81	1.80
Discount rate (p.a.)	6.80%	7.20%

(II) Defined contribution fund

A defined contribution plan is the post employment benefit under which the Company pays fixed contributions and where there is no legal or constructive obligation to pay further contribution in case of shortfall in the plan asset. Contribution made by the Company under defined contribution plan is given below-

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2025	2024
Provident Fund and Pension Scheme of EPFO	11.90	11.62
National Pension Scheme	1.35	0.89
Employees' State Insurance Corporation and Labour Welfare Fund	0.01	0.06

Notes to financial statements for the year ended 31 March 2025 (Contd.)

41. Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Disputed claims against the Company not acknowledged as debts	5.97	4.73
Bank Guarantee	0.25	-
Goods and Service Tax matters under appeal		
On credit notes reported by the Company in GST returns	0.34	-
Income Tax Matter		
Appeals by the Company	14.95	-

- The Company is of the opinion that the above demands, are not tenable and expects to succeed in its appeals/defense.
- It is not practicable for the Company to estimate the timings of the cashflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) Capital and other commitments

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
- Tangible	0.34	0.05
- Intangible	0.08	0.06
(ii) Other commitments (towards partially disbursed / sanctioned but not disbursed)	5,242.67	5,209.92

42. (a) Changes in capital and asset structure arising from financing activities and investing activities (Ind AS 7 'Statement of Cash Flow')

The Company does not have any financing activities which affect the capital and asset structure of the Company without the use of cash and cash equivalents.

(b) Changes in liability arising from financing activities (Ind AS 7 'Statement of Cash Flow')

For the year ended 31 March 2025

(₹ in crore)

Particulars	As at 1 April 2024	Cash flows	Change in fair value	Other*	As at 31 March 2025
Debt securities	26,645.33	12,548.89	43.29	528.19	39,765.70
Borrowing other than debt securities	42,299.73	(33.22)	-	2.10	42,268.61
Deposits	184.26	(141.34)	-	(5.31)	37.61
Lease liability	41.54	(13.85)	-	23.84	51.53
Total	69,170.86	12,360.48	43.29	548.82	82,123.45

For the year ended 31 March 2024

(₹ in crore)

Particulars	As at 1 April 2023	Cash flows	Change in fair value	Other*	As at 31 March 2024
Debt securities	19,914.92	6,488.84	13.09	228.48	26,645.33
Borrowing other than debt securities	33,654.70	8,641.74	-	3.29	42,299.73
Deposits	175.77	8.05	-	0.44	184.26
Lease liability	44.33	(13.85)	-	11.06	41.54
Total	53,789.72	15,124.78	13.09	243.27	69,170.86

* Other includes Interest accrued and EIR adjustments

Notes to financial statements for the year ended 31 March 2025 (Contd.)

43. Disclosure of transactions with related parties as required by Ind AS 24

		FY 2024-25		FY 2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
Name of the related party and nature of relationship					
Nature of transactions					
A. Ultimate Holding Company					
Bajaj Finserv Limited	Secured non-convertible debentures issued	-	(200.00)	-	(400.00)
	Secured non-convertible debentures repaid	200.00	-	150.00	-
	Interest paid on non-convertible debentures	27.25	-	36.12	-
	Business support charges paid	1.08	-	1.32	-
	Amount paid under ESOP recharge arrangements	0.65	-	0.65	-
B. Holding Company					
Bajaj Finance Limited	Contribution to equity shares (7,39,10,03,845 shares at face value of ₹ 10 each)	-	(7,391.00)	-	(6,712.16)
	Equity contribution received (including premium)	2,000.00	-	-	-
	Amount paid under ESOP recharge arrangements	21.17	-	29.93	-
	Loan portfolio assigned out	3,361.67	-	6,758.15	-
	Purchase of property, plant and equipment	0.02	(0.02)	0.55	-
	Sale of property, plant and equipment	0.93	-	0.53	-
	Security deposit received for leased premises	-	(0.08)	-	(0.08)
	Sourcing commission paid	5.68	(0.63)	-	-
	Business support charges paid	3.67	-	4.45	-
	Servicing fee paid	7.66	-	10.40	-
	Reimbursement of offer expenses pursuant to Initial Public Offer of the Company	23.12	1.98	-	-
	Business support charges received	0.55	-	0.88	-
	Servicing fee received	34.77	-	49.75	-
	Rent income	0.22	-	0.22	-
	Sourcing commission received	0.16	-	1.15	-
C. Fellow Subsidiaries					
1. Bajaj Financial Securities Limited (Promoter group)	Company's contribution towards NPS	1.44	-	0.90	-
2. Bajaj Finserv Direct Limited (Promoter group)	Sale of property, plant and equipment	-	-	0.01	-
	Business support charges and commission paid	2.32	(0.13)	2.12	-
	Software development charges paid	0.37	-	-	-
3. Bajaj Finserv Health Limited (Promoter group)	Fees and commission received	19.98	-	9.60	1.87
4. Bajaj Finserv Venture Limited (Promoter group)	Sale of property, plant and equipment (Previous year TV ₹ 33,406)	-	-	-	-

Notes to financial statements for the year ended 31 March 2025 (Contd.)

43. Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transactions	FY 2024-25		FY 2023-24	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
5 Bajaj Allianz General Insurance Company Limited (Promoter group)	Secured non-convertible debentures issued	-	(600.00)	-	(250.00)
	Interest paid on non-convertible debentures	19.40	-	11.55	-
	Advance towards insurance	-	4.37	-	4.87
	Insurance expenses	4.02	-	4.57	-
	Commission income	4.94	1.14	0.47	0.12
6 Bajaj Allianz Life Insurance Company Limited (Promoter group)	Unsecured non-convertible debentures issued	217.00	(1,302.00)	217.00	(1,085.00)
	Secured non-convertible debentures issued	-	(150.00)	-	-
	Interest paid on non-convertible debentures	84.81	-	67.84	-
	Advance towards insurance	-	0.35	-	0.43
	Insurance expense	0.83	-	1.12	-
	Commission income	21.30	2.27	3.56	2.10
	Digital advertisement charges received	3.08	0.38	-	-
D. Associates of Holding Company					
1 Snapwork Technologies Private Limited (Promoter group)	Information technology design and development charges	0.49	-	1.59	-
	Support charges paid	0.24	-	0.48	-
2 Pennant Technologies Private Limited (Promoter group)	Information technology design and development charges	7.55	-	1.24	-
	Support charges paid	2.34	-	0.42	-
E. Key Management Personnel (KMP) and close members of KMP					
1 Sanjiv Bajaj (Chairman and Promoter group)	Short term benefits - Sitting fees	0.19	-	0.13	-
	Short term benefits - Commission	0.38	(0.34)	0.26	(0.23)
2 Rajeev Jain (Vice Chairman)	Short term benefits - Sitting fees	0.33	-	0.21	-
	Short term benefits - Commission	0.66	(0.59)	0.42	(0.38)
3 Atul Jain (Managing Director)	Short term employee benefits - Remuneration	16.37	(4.86)	14.08	(1.98)
	Share based payment	11.87	-	9.56	-
4 Anami N Roy (Director)	Short term benefits - Sitting fees	0.27	-	0.18	-
	Short term benefits - Commission	0.54	(0.49)	0.36	(0.32)
5 Dr. Arindam K Bhattacharya (Director)	Short term benefits - Sitting fees	0.31	-	0.20	-
	Short term benefits - Commission	0.62	(0.56)	0.40	(0.36)
6 Jasmine Arish Chaney (Director)	Short term benefits - Sitting fees	0.26	-	0.17	-
	Short term benefits - Commission	0.52	(0.47)	0.34	(0.31)

Notes to financial statements for the year ended 31 March 2025 (Contd.)

(₹ in crore)

		FY 2024-25		FY 2023-24	
Name of the related party and nature of relationship	Nature of transactions	Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
7 S M Narasimha Swamy (Director w.e.f. 1 August 2024)	Short term benefits - Sitting fees	0.11	-	-	-
	Short term benefits - Commission	0.22	(0.20)	-	-
8 Gaurav Kalani (Chief Financial Officer) *	Short term employee benefits	2.70	(0.53)	2.52	(0.77)
	Share based payment	0.98	-	0.82	-
9 Atul Patni (Company Secretary) *	Short term employee benefits	0.55	(0.09)	0.47	(0.07)
	Share based payment	0.13	-	0.08	-
F. Entities in which KMP and their close members have significant influence					
1 Bajaj Auto Limited	Security deposit paid for leased premises	-	0.03	-	0.03
	Business support charges paid	2.32	-	1.97	-
	Rent expense	0.06	-	0.06	-
2 Bajaj Holdings and Investment Limited (Promoter group)	Business support charges paid	1.82	-	1.83	-
3 Maharashtra Scooters Limited	Secured non-convertible debentures issued	-	(50.00)	-	(25.00)
	Secured non-convertible debentures repaid	25.00	-	25.00	-
	Interest paid on non-convertible debentures	2.08	-	2.88	-
4 Hind Musafir Agency Limited	Services received	4.29	-	3.89	-
5 Bajaj Allianz Staffing Solutions Limited	Outsourcing manpower supply services	104.06	-	76.45	-
6 Fleur Hotels Private Limited	Services received	0.01	-	-	-
7 Bajaj Allianz Financial Distributors Limited (Promoter group)	Nil	-	-	-	-
8 Bajaj Finserv Asset Management Limited (Promoter group)	Nil	-	-	-	-
9 Bajaj Finserv Mutual Fund Trustee Limited (Promoter group)	Nil	-	-	-	-
10 VH Medcare Private Limited (Promoter group)	Nil	-	-	-	-
11 Vidal Health Insurance TPA Private Limited (Promoter group)	Nil	-	-	-	-
12 Vidal Healthcare Services Private Limited (Promoter group)	Nil	-	-	-	-
G. Post employment benefit entity					
Bajaj Auto Employees Group Gratuity Fund	Gratuity contribution	-	-	1.09	-

*Key managerial personnel as per section 2(51) of the Companies Act, 2013. Disclosure of transactions made in compliance with RBI Master Direction - Non-Banking Financial Company - Housing Finance Company (Reserve Bank) Directions, 2021.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

43. Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

Notes

- Transactions values (TV) are excluding taxes and duties.
- Amount in bracket denotes credit balance.
- Transactions where Company act as intermediary and passed through Company's books of accounts are not in the nature of related party transaction and hence are not disclosed.
- Insurance claims received by the Company on insurance cover taken by it on its assets are not in the nature of related party transaction, hence not disclosed.
- The above disclosures have been made for related parties identified as such only to be in conformity with the Indian Accounting Standard 24.
- Name of the related parties and nature of their relationships where control exists have been disclosed irrespective of whether or not there have been transactions with the Company. In other cases, disclosure has been made only when there have been transactions with those parties.
- Related parties as defined under clause 9 of the Indian Accounting Standard - 24 'Related Party Disclosures' have been identified based on representations made by key managerial personnel and information available with the Company. All above transactions are in the ordinary course of business and on arms' length basis. All outstanding balances are to be settled in cash and are unsecured except secured non-convertible debentures issued to related parties which are disclosed appropriately.
- Provisions for gratuity, compensated absences and other long term service benefits are made for the Company as a whole and the amounts pertaining to the key management personnel are not specifically identified and hence are not included above.
- As on 31 March 2025, 22 non-corporate related parties held Company's equity shares amounting to ₹ 0.06 crore (58,290 shares of ₹ 10 each). Transaction value with 19 non-corporate related parties during the year ended 31 March 2025 amounting to ₹ 0.40 crore (57,352 shares of ₹ 70 each).
- Non convertible debentures (NCDs) transaction includes only issuance from primary market, and outstanding balance is balances of NCDs held by related parties as on reporting dates. Interest accrued on NCDs is identified based on beneficiary holder at the time of payment to whom the interest is credited.
- The Company has a committed line of credit of ₹ 2,500 crore from Bajaj Finance Limited (Holding Company).

Summary of total compensation to key management personnel

(₹ in crore)

Sr. No.	Categories	FY 2024-25	FY 2023-24
1	Short-term employee benefits	19.62	17.07
2	Share-based payment	12.98	10.46
3	Post-employment benefits	-	-
4	Other long-term benefits	-	-
5	Termination benefits	-	-
	Total	32.60	27.53

44. Relationship with struck off Companies

(₹ in crore)

Name of struck off Company	Nature of transactions with struck off Company	Relationship with the struck off Company	Balance outstanding as at 31 March	
			2025	2024
CSE Computer Solutions East Pvt Ltd	Loan given	Not Related Party	0.32	0.34
Satidham Industries Pvt Ltd	Equity Shares (₹ 40,000 at face value of ₹ 10/) (Previous year - Nil)	Not Related Party		-

Notes to financial statements for the year ended 31 March 2025 (Contd.)

45. Capital

The Company actively manages its capital base to cover risks inherent to its business and meets the capital adequacy requirements of the regulator, the Reserve Bank of India. The adequacy of the Company's capital is monitored using, among other measures, the regulations issued by the RBI.

(i) Capital management**Objective**

The Company's objective is to maintain appropriate levels of capital to support its business strategy taking into account the regulatory, economic and commercial environment. The Company aims to maintain a strong capital base to support its growth strategy and the risks inherent to its business. The Company endeavours to maintain a higher capital base than the mandated regulatory capital at all times.

Planning

The Company's assessment of capital requirement is aligned to 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 interest rate.

The Company monitors its capital adequacy ratio (CRAR) on a monthly basis through its assets liability management committee (ALCO).

The Company 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.

(ii) Regulatory capital

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Tier I capital	19,456.12	11,857.24
Tier II capital	367.09	348.45
Total capital	19,823.21	12,205.69
Total risk weighted assets	70,188.39	57,351.83
Tier I CRAR	27.72%	20.67%
Tier II CRAR	0.52%	0.61%
Total CRAR	28.24%	21.28%

46. Analytical ratios

Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at 31 March 2025	As at 31 March 2024
Capital to risk-weighted assets ratio (CRAR)	19,823.21	70,188.39	28.24%	21.28%
Tier I CRAR	19,456.12	70,188.39	27.72%	20.67%
Tier II CRAR	367.09	70,188.39	0.52%	0.61%
Debt Equity Ratio	82,071.92	19,946.80	4.11	5.65
Liquidity Coverage Ratio	2,393.76	1,241.54	192.81%	192.31%

47. Events after reporting date

There have been no events after the reporting date that require adjustment in these financial statements.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

48. Fair values

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.

This note describes the fair value measurement of both financial and non-financial instruments.

Valuation framework

The Company has an internal fair value assessment team which assesses the fair values for assets qualifying for fair valuation.

The Company'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.

These valuation models are subject to a process of due diligence and validation before they become operational and are continuously calibrated. These models are subject to approvals by various functions including risk, treasury and finance functions. Finance function is responsible for establishing procedures, governing valuation and ensuring fair values are in compliance with accounting standards.

Valuation methodologies adopted

- Fair values of investments held for trading under FVTPL and investments held under FVOCI have been determined under level 1 (Refer note 49) using quoted market prices of the underlying instruments;
- Fair value of loans held for 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 measured at FVOCI. The fair value of these loans have been determined under level 3.

The Company has determined that the carrying values of cash and cash equivalents, 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 value.

49. Fair value hierarchy

The Company determines fair values of 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 the Company 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.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on recurring basis as at 31 March 2025

(₹ in crore)

Particulars	Date of valuation	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Investments held for trading designated under FVTPL	31 March 2025	1,221.45	-	-	1,221.45
Investments designated under FVOCI	31 March 2025	1,311.87	-	-	1,311.87
Loans designated under FVOCI	31 March 2025	-	68,579.27	-	68,579.27
Derivative financial instrument (at FVTPL)	31 March 2025	-	41.22	-	41.22

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on recurring basis 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 for trading designated under FVTPL	31 March 2024	1,418.19	-	-	1,418.19
Investments designated under FVOCI	31 March 2024	520.38	-	-	520.38
Loans designated under FVOCI	31 March 2024	-	57,709.92	-	57,709.92
Derivative financial instrument (at FVTPL)	31 March 2024	-	10.83	-	10.83

- The Company does not carry any financial asset and liability which is fair valued on a non recurring basis

- During the year there were no transfers between level 1 and level 2. Similarly, there were no transfers from or transfer to level 3.

Fair value of financial instruments not measured at fair value as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value measurement using			Total
		Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Financial Assets					
Cash and cash equivalents	61.63	61.63	-	-	61.63
Bank balances other than cash and cash equivalents	0.15	0.15	-	-	0.15
Trade receivables	21.88	-	-	21.88	21.88
Loans at amortised cost*	30,933.59	-	-	30,933.59	30,933.59
Other financial assets	363.46	-	-	363.46	363.46
Total financial assets	31,380.71	61.78	-	31,318.93	31,380.71
Financial liabilities					
Trade payables	76.46	-	-	76.46	76.46
Other payables	104.29	-	-	104.29	104.29
Debt securities	39,765.70	-	40,170.30	-	40,170.30
Borrowings (other than debt securities)	42,268.61	-	-	42,268.61	42,268.61
Deposits	37.61	-	-	37.61	37.61
Other financial liabilities	489.54	-	-	489.54	489.54
Total financial liabilities	82,742.21	-	40,170.30	42,976.51	83,146.81

*Substantial portion of loans are at floating rate of interest, hence does not have material impact on fair valuation.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

49. Fair value hierarchy (Contd.)

Fair value of financial instruments not measured at fair value 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					
Cash and cash equivalents	63.86	63.86	-	-	63.86
Bank balances other than cash and cash equivalents	0.15	0.15	-	-	0.15
Trade receivables	13.36	-	-	13.36	13.36
Loans at amortised cost*	21,590.83	-	-	21,590.83	21,590.83
Other financial assets	284.07	-	-	284.07	284.07
Total financial assets	21,952.27	64.01	-	21,888.26	21,952.27
Financial liabilities					
Trade payables	57.61	-	-	57.61	57.61
Other payables	82.75	-	-	82.75	82.75
Debt securities	26,645.33	-	26,636.65	-	26,636.65
Borrowings (other than debt securities)	42,299.73	-	-	42,299.73	42,299.73
Deposits	184.26	-	-	184.26	184.26
Other financial liabilities	234.14	-	-	234.14	234.14
Total financial liabilities	69,503.82	-	26,636.65	42,858.49	69,495.14

*Substantial portion of loans are at floating rate of interest, hence does not have material impact on fair valuation.

50. Risk management objectives and policies

A summary of the major risks faced by the Company, 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 	<p>Board appointed Risk Management Committee (RMC) and Asset Liability Committee (ALCO)</p>	<p>Liquidity and funding 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, the Company'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 HFCs. 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 the Company. managed by the Company'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 financial statements for the year ended 31 March 2025 (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 appointed RMC and ALCO	<p>Market risk for the Company encompasses exposures to 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 floating assets and liabilities. The Company has a market risk management module which is integrated with its treasury system. ; and managed by the Company'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 the Company.	Board appointed 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 the Company. 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 appointed RMC.
Operational risk	Operational risk is the risk arising from inadequate or failed internal processes or controls, its people and system and also from external events.	Audit Committee (AC)/Board appointed RMC / Operational Risk Management Committee	<p>Operational risk is:</p> <ul style="list-style-type: none"> measured by KPI's set for each of the processes/ functions, system and control failures and instances of fraud. monitored by deviations identified in each of the set KPI's for the processes/controls, periodical review of technology platforms and review of control processes as part of internal control framework. managed by ORM unit along with the SPOCs identified under each business unit under the guidance of a management level ORM Committee and Risk Management Committee.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

50. Risk management objectives and policies (Contd.)

(a) Liquidity risk

The Company's ALCO monitors asset liability mismatches to ensure that there are no imbalances or excessive concentrations on either side of the Balance Sheet.

The Company maintains a judicious mix of borrowings from banks, money markets 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 has helped the Company maintain a healthy asset liability position. The overall borrowings including debt securities stood at ₹ 82,071.92 crore as of 31 March 2025 (Previous year ₹ 69,129.32 crore).

The Company 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. The Company endeavours to maintain liquidity buffer in the range of 3% to 5% of its overall borrowings in normal market scenario. The average liquidity buffer for FY2025 was ₹ 5,051 crore. Liquidity buffer was at ₹ 2,394 crore as on 31 March 2025.

RBI vide Scale Based Regulations 2023 (SBR) and Master Directions for Housing Finance Company 2021 (as amended from time to time) 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. The Company has a 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.

The Company 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). As of 31 March 2025, the Company maintained a LCR of 192.81%, well in excess of the RBI's stipulated norm of 100%.

The Company has a Board approved Contingency Funding Plan (CFP) to respond quickly to any anticipated or actual stressed market conditions. The primary goal of the Contingency Funding Plan (CFP) is to provide a framework of action plan for contingency funding when the Company experiences a reduction to its liquidity position, either from causes unique to the Company 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 cashflow of the Company's financial liabilities:

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	13,195.38	38,241.74	51,437.12	8,859.32	23,959.58	32,818.90
Borrowings (other than debt securities)	10,223.83	40,905.91	51,129.74	11,382.43	40,810.08	52,192.51
Deposits	36.76	2.15	38.91	189.12	1.29	190.41
Trade payables	76.46	-	76.46	57.61	-	57.61
Other payables	104.29	-	104.29	82.75	-	82.75
Other financial liabilities	456.15	40.80	496.95	207.27	32.89	240.16
Total	24,092.87	79,190.60	1,03,283.47	20,778.50	64,803.84	85,582.34

Notes to financial statements for the year ended 31 March 2025 (Contd.)

The table below shows contractual maturity profile of carrying value of assets and liabilities:

(₹ in crore)

Particulars	As at 31 March 2025			As at 31 March 2024		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	61.63	-	61.63	63.86	-	63.86
Bank balances other than cash and cash equivalents	0.06	0.09	0.15	0.12	0.03	0.15
Derivative financial instrument	-	41.22	41.22	-	11.66	11.66
Trade receivables	21.88	-	21.88	13.36	-	13.36
Loans	3,897.82	95,615.04	99,512.86	3,015.22	76,285.53	79,300.75
Investments	1,252.66	1,280.66	2,533.32	1,434.58	503.99	1,938.57
Other financial assets	102.77	260.69	363.46	66.09	217.98	284.07
Non-financial assets						
Current tax assets (net)	-	75.53	75.53	-	31.09	31.09
Deferred tax assets (net)	-	44.14	44.14	-	50.94	50.94
Property, plant and equipment	-	100.34	100.34	-	87.50	87.50
Intangible assets under development	-	0.52	0.52	-	0.87	0.87
Other intangible assets	-	40.23	40.23	-	35.36	35.36
Other non-financial assets	13.47	-	13.47	8.91	-	8.91
	5,350.29	97,458.46	1,02,808.75	4,602.14	77,224.95	81,827.09
Liabilities						
Financial liabilities						
Derivative financial instrument	-	-	-	-	0.83	0.83
Trade payables	76.46	-	76.46	57.61	-	57.61
Other payables	104.29	-	104.29	82.75	-	82.75
Debt securities	11,699.24	28,066.46	39,765.70	7,833.01	18,812.32	26,645.33
Borrowings (other than debt securities)	7,467.30	34,801.31	42,268.61	8,363.64	33,936.09	42,299.73
Deposits	35.61	2.00	37.61	183.06	1.20	184.26
Other financial liabilities	452.79	36.75	489.54	204.64	29.50	234.14
Non-financial liabilities						
Current tax liabilities (net)	37.69	-	37.69	25.93	-	25.93
Provisions	2.73	44.56	47.29	2.90	32.74	35.64
Other non-financial liabilities	34.76	-	34.76	27.37	-	27.37
	19,910.87	62,951.08	82,861.95	16,780.91	52,812.68	69,593.59

(b) Market risk

Market risk is the risk that the fair value of future cash flow of financial instruments will fluctuate due to changes in the market variables such as interest rates, foreign exchange rates and security prices.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

50. Risk management objectives and policies (Contd.)

Interest rate risk

On assets and liabilities

For floating rate asset and liabilities sensitivity analysis is prepared assuming the amount outstanding at the end of the reporting period was outstanding for the whole year. The following table demonstrate the sensitivity to a reasonably possible change in interest rate on that portion of loans and borrowings affected. With all other variable held constant, the Company's profit before tax is affected through the impact on floating rate financial asset and liabilities, as follows:

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Impact in Statement of Profit and Loss	
		1 % increase	1 % decrease
Loans	99,512.86	989.19	(989.19)
Debt securities	1,597.35	(15.00)	15.00
Borrowings (other than debt securities)	40,156.05	(401.53)	401.53

Sensitivity analysis as at 31 March 2024

(₹ in crore)

Particulars	Carrying value	Impact in Statement of Profit and Loss	
		1 % increase	1 % decrease
Loans	79,300.75	788.57	(788.57)
Debt securities	-	-	-
Borrowings (other than debt securities)	40,441.51	(404.40)	404.40

Price Risk

On Investments

The Company manages the duration of its investment portfolio with an objective to optimise the return with minimal possible fair value change impact. The price 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 investment and market risk policy.

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1 % increase	1 % decrease
Investment at FVTPL	1,221.45	1,221.45	12.21	(12.21)

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
Investment at FVTPL	1,418.19	1,418.19	14.18	(14.18)

(c) Credit risk

Credit risk is the risk of financial loss arising out of customers or counterparties failing to meet their repayment obligations to the Company. The Company has a diversified lending model and focuses on five broad categories viz: (i) home loans, (ii) loan against property (iii) lease rental discounting, (iv) developer loans, and (v) unsecured loans. The Company assesses the credit quality of all financial instruments that are subject to credit risk.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Classification of financial assets under various stages

The Company 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.

Treatment and classification methodology of different stages of financial assets is detailed in note no. 4.4 (i)

Computation of impairment on financial instruments

The Company 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. For further details of computation of ECL please refer to significant accounting policies note no 4.4 (i).

The Company 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, the Company has redeveloped its ECL model and implemented the same with the approval of Audit Committee and the Board.

The Company follows simplified ECL approach under Ind AS 109 'Financial Instruments' for trade receivables, and other financial assets.

The table below summarises the approach adopted by the Company for various components of ECL viz. PD, EAD and LGD across product lines using empirical data where relevant:

Lending verticals	PD			EAD	LGD
	Stage 1	Stage 2	Stage 3		
Home loans	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/ judgement for wholesale loans.			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. However, due to sparsity of historical recovery data for analysis and data modelling, Management assumption-based rates have been applied for LGD across stages.
Loan against property					
Lease rental discounting					
Developer loans					
Other loans					
			100%		

The table below summarises the gross carrying values and the associated allowance for expected credit loss (ECL) stage wise for loan portfolio:

As at 31 March 2025

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	97,505.21	307.52	270.56	1,977.86	13.13	16.44
Allowance for ECL	325.12	67.34	160.11	8.48	4.00	12.81
ECL coverage ratio	0.33%	21.90%	59.18%	0.43%	30.46%	77.92%

Notes to financial statements for the year ended 31 March 2025 (Contd.)

50. Risk management objectives and policies (Contd.)

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	77,302.54	279.32	199.42	2,016.77	10.68	16.19
Allowance for ECL	309.46	63.98	125.02	9.69	3.60	12.42
ECL coverage ratio	0.40%	22.91%	62.69%	0.48%	33.71%	76.71%

Collateral valuation

The Company 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, the Company'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 the Company'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 the Company's credit risk.

The main types of collateral across various products obtained are as follows:

Product Group	Nature of securities
Home loans	Equitable / registered mortgage of residential properties.
Loan against property	Equitable / registered mortgage of residential and commercial properties.
Lease rental discounting	Equitable / registered mortgage and hypothecation of rental of collateral property.
Developer loans	Equitable / registered mortgage and hypothecation of cash flow of collateral property.

The Company periodically monitors the market value of collateral and evaluates its exposure and loan to value metrics for high risk customers. The Company exercises its right of repossession across all secured products. 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. The Company does not record repossessed assets on its Balance Sheet as non-current assets held for sale.

Analysis of concentration risk

The Company focuses on granulation of loans portfolios by expanding its geographic reach to reduce geographic concentrations while continually calibrating its product mix across its five categories of lending mentioned above.

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.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Methodology

The Company 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. The Company 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.

The Company uses multiple economic factors and test their correlations with past loss trends witnessed for building its forward economic guidance (FEG) model. During the current year, the Company 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.

Based on past correlation trends, CPI (inflation) and GDP growth rates reflected acceptable correlation with past loss trends and were considered appropriate by the Management. GDP has a direct relation with the income levels whereas inflation and inflationary expectations affect the disposable income of people. 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 GDP growth rate data, the Company has considered RBI projections and data published by Ministry of Statistics & Programme Implementation, Government of India.

- While formulating the central scenario, the Company has considered average growth rate of 6.5% for next year.
- For the downside scenario, the Company believes that the downside risks might have passed, however, the downside nominal GDP growth rate might reach 0%. However, as per mean reversion approach, the downside scenario assumes it to recover from the peak and normalise to around 8% within next three years.
- For the upside scenario, the Company acknowledges various surveys and studies indicating improving economic situation and estimates nominal GDP growth rate might reach to 19%. Subsequently, as per mean reversion approach, the upside scenario assumes it to normalize from the peak and normalise to around 8% within next three years.

The Reserve Bank of India (RBI) projected CPI inflation for year FY 25–26 at 4%, with Q1 at 3.6%, Q2 at 3.9%, Q3 at 3.8%, and Q4 at 4.4%.

- The central scenario assumed by the Company considered inflation of around 5 – 5.5% on conservative basis average inflation trend of last three years.
- For the downside scenario, the Company considers that the inflation risk may continue due to various uncertainties (geopolitical conflict, tariffs etc), and therefore assumes the inflation to touch a peak of around 9% and subsequently normalise to around 5.8% within next three years.
- For the upside scenario, we believe that there would be certain factors which might come into play viz, base effect, higher food grain production, continuously falling WPI, better supply chain management etc, and, therefore, inflation may see easing to a base of around 2.4% before averaging back 5.8% within next 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.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

50. Risk management objectives and policies (Contd.)

ECL sensitivity to future economic conditions

ECL coverage of financial instruments under forecast economic conditions

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Gross carrying amount of loans	1,00,090.72	79,824.92
Reported ECL on loans	577.86	524.17
Reported ECL coverage	0.58%	0.66%
Base ECL without macro and management overlay	543.86	430.17
Add: Management overlay	-	60.00
ECL before adjustment for macro economic factors	543.86	490.17
ECL amounts for alternate scenario		
Central scenario (80%)	575.66	527.55
Downside scenario (10%)	744.76	576.50
Upside scenario (10%)	428.53	444.79
Reported ECL	577.86	524.17
Management and macro economic overlay		
-Management overlay	-	60.00
-Overlay for macro economic factors	34.00	34.00
ECL coverage ratios by scenario		
Central scenario (80%)	0.58%	0.66%
Downside scenario (10%)	0.74%	0.72%
Upside scenario (10%)	0.43%	0.56%

(d) Operational risk

Operational risk is the risk arising from inadequate or failed internal processes, people or systems, or from external events. Operational risk is inherent in the Company's business activities, as well as in the related support functions. BHFL has in place an internal Operational Risk Management (ORM) Framework to manage operational risk in an effective and efficient manner. This framework aims at assessing and measuring the magnitude of risks, its monitoring and mitigation. The key objective is to enable the Company to ascertain an increased likelihood of an operational risk event occurring in a timely manner to take steps to mitigate the same. It starts with identifying and defining KRI's/KPIs through process analysis and ending with formulation of action plans in response to the observed trends in the identified metrics. This is achieved through determining key process areas, converting them to measurable and quantifiable metrics, setting tolerance thresholds for the same and monitoring and reporting on breaches of the tolerance thresholds in respect of these metrics. Corrective actions are initiated to bring back the breached metrics within their acceptable threshold limits by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events.

Further, the Company has a comprehensive internal control systems and procedures laid down around various key activities viz. loan acquisition, customer service, IT operations, finance function etc. Internal Audit also conducts a detailed review of all the functions at least once a year which helps to identify process gaps on timely basis. Information technology and operations functions have a dedicated compliance and control units who on continuous basis review internal processes. This enables the Management to evaluate key areas of operational risks and the process to adequately mitigate them on an ongoing basis.

The Company has a robust Disaster Recovery (DR) plan and Business Continuity Plan (BCP) to ensure continuity of its operations including services to customers in situations such as natural disasters, technological outage, etc. Robust periodic testing is carried, and results are analysed to address any gaps in the framework. DR and BCP audits are conducted on a periodical basis to provide assurance regarding its effectiveness.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

51. Employee stock option plan**(A) Employee stock option plan of Bajaj Housing Finance Limited**

The Board of Directors at its meeting held on 24 April 2024, approved an issue of stock options up to a maximum of 5% of the then issued equity capital of the Company aggregating to 39,09,78,763 equity shares of the face value of ₹ 10 each in a manner provided in the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 subject to the approval of the shareholders. The options issued under the ESOP Scheme vest over a period of not less than 1 year and not later than 5 years from the date of grant with the vesting condition of continuous employment with the Company or the Group except in case of death or permanent incapacity of an Option Grantee where the minimum vesting period of 1 year from the date of grant shall not apply and settled by issue of shares at exercise price.

The Nomination and Remuneration Committee of the Company has approved the following grants to tenured employees in managerial and leadership positions upon achieving defined thresholds of performance and leadership behaviour in accordance with the Stock Option Scheme. Details of grants given up to the reporting date under the scheme are given as under:

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
24-Apr-24	54.50	16,751,673	-	16,751,673	-	682,978	16,068,695
04-Jan-25	126.38	486,445	-	486,445	-	-	486,445
Total		17,238,118	-	17,238,118	-	682,978	16,555,140

Weighted average fair value of stock options granted during the year is as follows:

	FY 2025	
Grant date	24-Apr-24	04-Jan-25
No. of options granted	16,751,673	486,445
Weighted average fair value (₹)	24.54	51.43

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2025

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	-	-	-	-
Granted during the year	17,238,118	54.5 - 126.38	56.53	-
Cancelled during the year	682,978	54.50	54.50	-
Exercised during the year	-	-	-	-
Outstanding at the end of the year	16,555,140	54.5 - 126.38	56.61	6.58
Exercisable at the end of the year	-	-	-	-

Notes to financial statements for the year ended 31 March 2025 (Contd.)

51. Employee stock option plan (Contd.)

Method used for accounting for share based payment plan:

The Company has used the fair value method to account for the compensation cost of stock options to employees. The fair value of options used are estimated on the date of grant using the Black – Scholes Model. The key assumptions used in Black – Scholes Model for calculating fair value as on the date of grant are:

Grant date	Risk free interest rate	Expected life	Expected volatility	Dividend yield	Price of the underlying share in the market at the time of the option grant (₹)*	Vesting period
24-Apr-24	7.05%	3.5 – 6.5 years	38.46%	Nil	54.50	1 to 4 years on SLM basis
04-Jan-25	6.63%	3.5 – 5.5 years	36.57%	Nil	126.08	1 to 3 years on SLM basis

Determination of expected volatility

Expected volatility has been calculated based on the daily closing market price of the comparable entities.

For the year ended 31 March 2025, the Company has accounted expense of ₹ 16.97 crore as employee benefit expenses (note no.34) on the aforesaid employee stock option plan (Previous year ₹ Nil). The balance in employee stock option outstanding account is ₹ 16.97 crore as of 31 March 2025 (Previous year ₹ Nil).

(B) Employee stock option plan of Bajaj Finance Limited

The Nomination and Remuneration Committee of the Bajaj Finance Limited (Holding Company) has approved grants to select senior level executives of the Company in accordance with the Stock Option Scheme. Details of grants given upto the reporting date under the scheme, duly adjusted for sub-division of shares and issue of bonus shares thereon, are given as under:

As on 31 March 2025

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
16-May-19	3,002.75	137,550	40,592	-	81,867	15,091	40,592
19-May-20	1,938.60	255,000	88,854	-	134,320	31,826	88,854
27-Apr-21	4,736.55	115,446	44,575	23,117	33,851	13,903	67,692
26-Apr-22	7,005.50	117,897	40,026	58,391	10,358	9,122	98,417
26-Apr-23	6,075.25	177,250	34,337	118,823	9,108	14,982	153,160
Total		803,143	248,384	200,331	269,504	84,924	448,715

As on 31 March 2024

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
16-May-19	3,002.75	137,550	61,178	-	61,281	15,091	61,178
19-May-20	1,938.60	255,000	88,866	52,235	82,073	31,826	141,101
27-Apr-21	4,736.55	115,446	37,763	50,576	15,389	11,718	88,339
26-Apr-22	7,005.50	117,897	24,018	87,833	1,834	4,212	111,851
26-Apr-23	6,075.25	177,250	-	174,256	-	2,994	174,256
Total		803,143	211,825	364,900	160,577	65,841	576,725

Weighted average fair value of stock options granted during the year is as follows:

Particulars	For the year ended 31 March	
	2025	2024
Grant date	NA	26-Apr-23
No. of options granted	NIL	177,250
Weighted average fair value (₹)	NA	2,756.16

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2025

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Total for all grants				
Outstanding at the beginning of the year	576,725	1938.60-7005.50	4,712.62	5.13
Granted during the year	-	-	-	-
Cancelled during the year	19,083	4736.55-7005.50	6,161.32	-
Exercised during the year	108,927	1938.60-7005.50	3,356.33	-
Outstanding at the end of the year	448,715	1938.60-7005.50	4,980.25	4.39
Exercisable at the end of the year	248,384	1938.60-7005.50	4,002.99	3.17

The weighted average market price of equity shares for options exercised during the year ended 31 March 2025 is ₹ 7,566.43

As on 31 March 2024

	No. of options	Range of exercise prices (₹)	Weighted average exercise price (₹)	Weighted average remaining contractual life (years)
Total for all grants				
Outstanding at the beginning of the year	463,412	1938.60-7005.50	3,990.38	5.38
Granted during the year	177,250	6075.25	6,075.25	-
Cancelled during the year	8,693	1938.60-7005.50	5,425.81	-
Exercised during the year	55,244	1938.60-7005.50	2,913.98	-
Outstanding at the end of the year	576,725	1938.60-7005.50	4,712.62	5.13
Exercisable at the end of the year	211,825	1938.60-7005.50	3,319.26	3.32

The weighted average market price of equity shares for options exercised during the year is ₹ 7,139.49

Method used for accounting for share based payment plan:

The Holding Company 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 (₹)*	Vesting period
16-May-19	7.09%	3.5 – 6.5 years	34.03%	0.13%	3,002.75	1 to 4 years on SLM basis
19-May-20	5.07%	3.5 – 6.5 years	42.95%	0.83%	1,938.60	1 to 4 years on SLM basis
27-Apr-21	5.65%	3.5 – 6.5 years	42.51%	0.21%	4,736.55	1 to 4 years on SLM basis
26-Apr-22	6.56%	3.5 – 6.5 years	41.87%	0.29%	7,005.50	1 to 4 years on SLM basis
26-Apr-23	6.94%	5 years	41.44%	0.33%	6,075.25	1 to 4 years on SLM basis

For the year ended 31 March 2025, the Company has accounted expense of ₹ 21.17 crore as employee benefit expenses (note no. 34) on the aforesaid employee stock option plan (Previous year ₹ 29.93 crore)

Notes to financial statements for the year ended 31 March 2025 (Contd.)

51. Employee stock option plan (Contd.)

(C) Employee stock option plan of Bajaj Finserv Limited

The Nomination and Remuneration Committee of the Bajaj Finserv Limited (Ultimate Holding Company) has approved grant of 47,340 stock options at an exercise price of ₹ 1,482.64, adjusted for split and bonus, having a bullet vesting of 5 years to select employees of the Company in accordance with the Stock Option Scheme of the Ultimate Holding Company. Of the options granted, no option has vested, cancelled or exercised during the year. The weighted average fair value of the option granted is ₹ 689.20. The Ultimate Holding Company 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 (₹)*	Vesting period
28-Apr-22	6.75%	3.5 – 6.5 years	34.19%	0.02%	1482.64	5 years on SLM basis

For the year ended 31 March 2025, the Company has accounted expense of ₹ 0.71 crore as employee benefit expenses (note no. 34) on the aforesaid employee stock option plan (Previous year ₹ 0.71 crore)

52. Utilisation of borrowed funds

Details of transaction where the Company has received fund from entities (Funding party) with the understanding that the Company shall directly or indirectly lend or invest in other entities.

There were no transaction where the company had received fund from entities (Funding party) with the understanding that the Company shall directly or indirectly lend or invest in other entity during the financial year ended 31 March 2025.

For the year ended 31 March 2024

(₹ in crore)					
Name of Funding Party	Date of fund received	Amount of fund received	Name of other intermediaries' or ultimate beneficiaries	Date of fund loaned	Amount of fund loaned
Chayadeep Properties Pvt Ltd (B/f prev. year) Address: Second floor, Plot No. 30, Galaxy, 1st Main road, JP Nagar, 3rd Phase, Bangalore Urban, Karnataka, 560078 PAN: AACCC3489Q CIN: U45203KA2003PTC094179	22-Sep-22	8.33	Karuna Business Solutions LLP Address: 6th Cross Off, Madras Road Bhuvaneshwari Layout, Bangalore, Karnataka, 560036 PAN: AAOFK7620G LLP IN: AAD-0057	31-Aug-23	5.00
	23-Sep-23	10.83		22-Sep-23	3.00
				27-Sep-23	1.76

The Company 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)

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time

53.1 Principal Business Criteria

Criteria	As at 31 March	
	2025	2024
Percentage of total assets towards housing finance	63.28%	61.43%
Percentage of total assets towards housing finance for individuals	51.72%	51.49%

Minimum regulatory percentage to be complied is 60% and 50% respectively.

53.2 Disclosures:

53.2.1 Capital

Particulars	As at 31 March	
	2025	2024
(i) CRAR (%)	28.24%	21.28%
(ii) CRAR Tier I capital (%)	27.72%	20.67%
(iii) CRAR Tier II capital (%)	0.52%	0.61%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt instruments	-	-

53.2.2 Reserve Fund u/s 29C of NHB Act, 1987

Particulars	As at 31 March	
	2025	2024
(₹ in crore)		
Balance at the beginning of the year:		
(a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	415.70	304.45
(b) Additional statutory reserve u/s 29C of the NHB Act, 1987	22.66	22.66
(c) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	525.40	290.40
Total	963.76	617.51
Addition / Appropriation / Withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	132.58	111.25
(b) Additional statutory reserve u/s 29C of the NHB Act, 1987	-	-
(c) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	300.00	235.00
Less:		
(a) Amount appropriated from the statutory reserve u/s 29C of the NHB Act, 1987	-	-
(b) Additional amount appropriated from the statutory reserve u/s 29C of the NHB Act, 1987	-	-
(c) Amount withdrawn from the special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account which has been taken into account for the purpose of provision u/s 29C of the NHB Act, 1987	-	-
Balance at the end of the year		
(a) Statutory reserve u/s 29C of the National Housing Bank Act, 1987	548.28	415.70
(b) Additional statutory reserve u/s 29C of the NHB Act, 1987	22.66	22.66
(c) Amount of special reserve u/s 36(1) (viii) of Income Tax Act, 1961 taken into account for the purposes of statutory reserve under Section 29C of the NHB Act, 1987	825.40	525.40
Total	1,396.34	963.76

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

53.2.3 Investments

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Value of investments		
(i) Gross value of investments		
(a) In India	2,515.88	1,938.21
(b) Outside India	-	-
(ii) Provisions / Fair value gain / (loss) for (depreciation) / appreciation*		
(a) In India	17.44	0.36
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	2,533.32	1,938.57
(b) Outside India	-	-
Movement of provisions held towards (depreciation) / appreciation on investments		
(i) Opening balance	0.36	1.03
(ii) Add: Provisions made during the year (Net of appreciation) / Fair value gain/ (loss)	17.08	(0.67)
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	17.44	0.36

* Represents unrealised gain due to fair value change

53.2.4 Derivatives

Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(i) The notional principal of swap agreements*	2,350.00	1,850.00
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	41.22	11.66
(iii) Collateral required upon entering into swaps	NA	NA
(iv) Concentration of credit risk arising from the swaps**	NA	NA
(v) The fair value of the swap book (net)	41.22	11.66

* As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 500 crore during the year ended 31 March 2025 (Previous year ₹ 1,750 crore) . The total outstanding as on 31 March 2025 is ₹ 2,350 crore (Previous year ₹ 1,850 crore).

** Concentration arising from SWAP is with Banks

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative during the current and previous year.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

Disclosures on Risk Exposure in Derivatives**A. Qualitative disclosure****Financial Risk Management**

The Company has to manage various risks associated with the lending business. These risks include liquidity risk, interest rate risk and counterparty risk.

The Investment and market risk policy, ALM Policy and currency and interest rate risk hedging policy as approved by the Board sets limits for exposures on various parameters. The Company manages its interest rate in accordance with the guidelines prescribed therein.

Liquidity risk and interest rate risks, arising out of maturity mismatch of assets and liabilities, are managed through regular monitoring of maturity profiles. As a part of Asset Liability Management, the Company has also entered into interest rate swaps wherein it has converted a portion of its fixed rate rupee liabilities into floating rate liability. Counter party risk is reviewed periodically to ensure that exposure to various counter parties is well diversified and is within the limits specified by policy.

Constituents of Hedge Management Framework

Financial Risk Management of the Company constitutes the Audit & Governance Committee, Asset Liability Committee (ALCO), Investment Committee and the Risk Management Committee.

The Company periodically monitors various counter party risk and market risk limits, within the risk architecture and processes of the Company.

Hedging policy

The Company has a Interest rate risk and currency risk hedging approved by the Board of Directors. For derivative contracts designated as hedges, the Company documents at inception, the relationship between the hedging instrument and hedged item. Hedged book is reviewed periodically by the Investment Committee/ALCO at each reporting period. Hedge effectiveness is measured by the degree to which changes in the fair value or cashflows of the hedged item that are attributed to the hedged risk are offset by changes in the fair value or cashflows of the hedging instrument.

Measurement and accounting

All derivative contracts are recognised on the Balance Sheet and measured at fair value. Hedge accounting is applied to all the derivative instruments as per IND AS 109. Gains/loss, arising on account of fair value changes in hedged item and hedging instrument, are recognised in the Statement of Profit and Loss.

The Company has entered into fair value hedges like interest rate swaps on fixed rate rupee liabilities as a part of the interest rate risk management whereby fixed rate liabilities are converted to floating rate liabilities. The Company has a net mark to market gain of ₹ 41.22 crore on outstanding interest rate swap book.

B. Quantitative disclosure - interest rate derivatives

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(i) Derivatives (Notional principal amount)	2,350.00	1,850.00
(ii) Market to Market positions		
(a) Assets (+)	41.22	11.66
(b) Liability (-)	-	0.83
(iii) Credit exposure	41.22	11.66
(iv) Unhedged exposures	-	-

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

53.2.5 Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2025

(₹ in crore)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from bank/TREPS	337.68	-	173.21	192.03	934.49	1,435.50	3,511.09	16,747.47	8,479.37	2,085.37	33,896.21
Deposits (ICD)	-	-	4.91	2.45	1.81	14.86	11.58	2.00	-	-	37.61
NHB refinance	-	-	-	-	-	294.43	588.87	2,355.47	2,355.29	2,778.34	8,372.40
Market borrowing	-	-	384.43	369.19	1,770.51	3,874.37	5,300.74	12,124.42	4,881.13	11,060.91	39,765.70
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	1,073.97	430.91	1,101.24	2,001.86	1,945.13	5,555.34	9,953.15	28,982.22	16,941.14	31,527.90	99,512.86
Investments*	1.19	5.87	60.28	300.02	209.12	147.93	528.31	0.09	1,280.66	-	2,533.47
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 0.15 crore shown under Note 5 – cash and cash equivalents and Note 6 – Bank balances other than cash and cash equivalents to the financial statements.

Assets Liability Management (Maturity pattern of certain items of Assets and Liabilities) as at 31 March 2024

(₹ in crore)

Particulars	1 day to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 month & up to 3 months	Over 3 months to 6 months	Over 6 months to 1 year	Over 1 year to 3 years	Over 3 years to 5 years	Over 5 years	Total
Liabilities											
Borrowings from bank	267.37	250.06	219.55	607.66	1,070.78	1,645.28	3,655.48	13,088.87	11,521.83	3,135.26	35,462.14
Deposits (ICD)	-	-	-	-	-	183.04	0.02	1.20	-	-	184.26
NHB refinance	-	-	-	-	-	215.81	431.65	1,726.59	1,726.59	2,736.95	6,837.59
Market borrowing	-	74.85	54.52	1,238.67	2,887.57	1,718.54	1,858.86	10,544.37	3,695.87	4,572.08	26,645.33
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	718.06	826.93	676.74	1,678.31	1,614.49	4,708.05	7,989.75	22,756.01	13,730.09	24,602.32	79,300.75
Investments*	0.67	5.87	10.53	98.86	0.01	587.24	731.52	0.03	503.99	-	1,938.72
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of advances have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 0.15 crore shown under Note 5 – cash and cash equivalents & Note 6 – Bank balances other than cash and cash equivalents to the financial statements.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53.2.6 Exposure

53.2.6.1. Exposure to real estate sector

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(a) Direct exposure		
(i) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	65,780.41	53,409.90
(ii) Commercial real estate -		
Lending secured by mortgages on commercial real estates (office buildings, retail space, multi-purpose commercial premises, multi-family residential buildings, multi-tenanted commercial premises, industrial or warehouse space, hotels, land acquisition, development and construction, etc.).	33,811.74	26,023.64
(iii) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
(a) Residential	-	-
(b) Commercial real estate	-	-
(b) Indirect Exposure		
Fund based and non-fund based exposures on National Housing Bank (NHB) and Housing Finance Companies (HFCs)	-	-
Total Exposure to real estate sector*	99,592.15	79,433.54

*Exposure includes non-fund based (NFB) limits and undrawn loan commitment towards partially disbursed / sanctioned but not disbursed.

In addition to above, the Company has loan exposure amounting ₹ 3,977.40 crore as on 31 March 2025 (Previous year ₹ 3,804.36 crore) pertaining to commercial properties not required to be classified as commercial real estate exposure and on properties used for dual purpose of commercial and residential usage.

53.2.6.2 Exposure to capital market

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(i) Direct investment in equity shares, convertible bonds, convertible debentures and units of equity-oriented mutual funds the corpus of which is not exclusively invested in corporate debt;	-	-
(ii) Advances against shares / bonds / debentures or other securities or on clean basis to individuals for investment in shares (including IPOs / ESOPs), convertible bonds, convertible debentures, and units of equity-oriented mutual funds;	-	-
(iii) Advances for any other purposes where shares or convertible bonds or convertible debentures or units of equity oriented mutual funds are taken as primary security;	-	-
(iv) Advances for any other purposes to the extent secured by the collateral security of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds i.e. where the primary security other than shares / convertible bonds / convertible debentures / units of equity oriented mutual funds 'does not fully cover the advances;	-	-
(v) Secured and unsecured advances to stockbrokers and guarantees issued on behalf of stockbrokers and market makers;	-	-
(vi) Loans sanctioned to corporates against the security of shares / bonds / debentures or other securities or on clean basis for meeting promoter's contribution to the equity of new companies in anticipation of raising resources;	-	-
(vii) Bridge loans to companies against expected equity flows / issues;	-	-
(viii) All Exposures to Venture Capital Funds (both registered and unregistered)	-	-
(ix) Underwriting commitments taken up by the NBFCs in respect of primary issue of shares or convertible bonds or convertible debentures or units of equity oriented mutual funds*	-	-
(x) Financing to stockbrokers for margin trading*	-	-
(xi) All exposures to alternative investment funds:*		
i. Category I	-	-
ii. Category II	-	-
iii. Category III	-	-
Total Exposure to Capital Market	-	-

*Disclosure pursuant to RBI Circular - RBI/2022-23/26 DOR.ACC.REC.No.20/21.04.018/2022-23 dated 19 April 2022 - Disclosures in Financial Statements- Notes to Accounts of NBFCs

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

53.2.6.3 Details of financing of Parent Company products

The Company does not have any financing of Parent Company products during the current and previous year.

53.2.6.4 Details of Single Borrower Limit (SGL) / Group Borrower Limit (GBL) exceeded by the HFC

The Company has not exceeded the prudential exposure limits during the current and previous year.

53.2.6.5 Unsecured Advances

The Company has unsecured advances net of ECL of ₹ 1,982.14 crore (Previous year ₹ 2,017.93 crore) which includes advances net of ECL of ₹ 266.84 crore (Previous year ₹ 271.19 crore) secured against intangible assets.

53.2.6.6 Exposure to group companies engaged in real estate business

The Company does not have any exposure to group companies engaged in real estate business during the current and previous year.

53.3 Miscellaneous

53.3.1 Registration obtained from other financial sector regulators

The Company has obtained registration from Financial Intelligence Units, India vide Registration No. FI00030844

The Company has obtained registration from Insurance Regulatory and Development Authority vide Registration No. CA0885

53.3.2 Disclosure of penalties imposed by NHB/RBI and other regulators

No penalty was imposed by NHB or any other regulators in current year. During the financial year 2023-24, penalty of ₹ 0.05 crore was imposed by RBI.

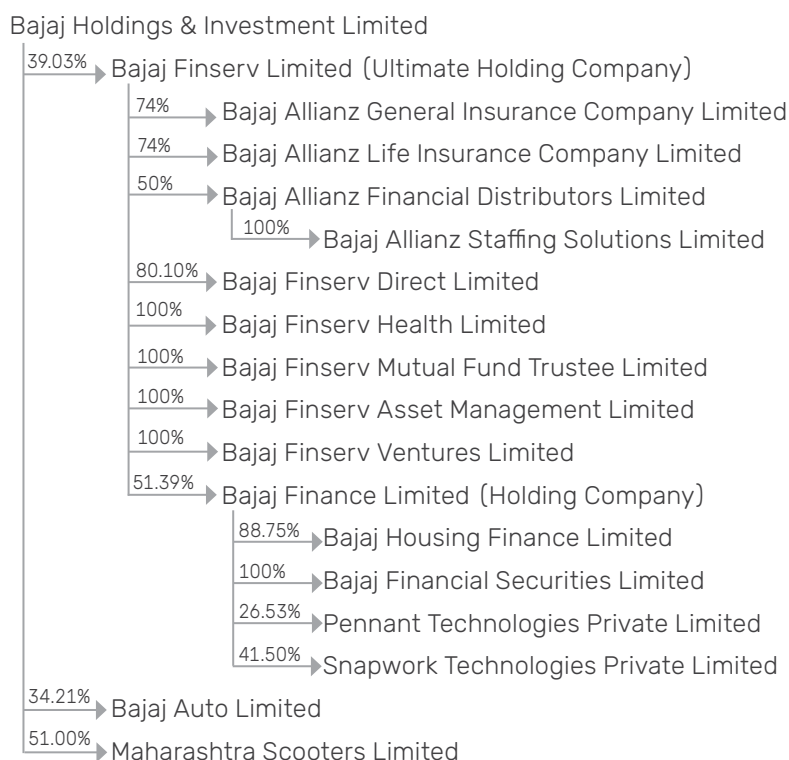
53.3.3 Related party transactions

Refer Note no. 43 Disclosure of transactions with related parties as required by Ind AS 24

53.3.4 Group Structure

Diagrammatic representation of group structure given below:

Shareholding as of 31 March 2025:



Notes to financial statements for the year ended 31 March 2025 (Contd.)

Shareholding as of 31 March 2024:

Bajaj Holdings & Investment Limited



Group structure above is basis disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 (as amended) issued by Reserve Bank of India.

53.3.5 Rating assigned by credit rating agencies and migration of rating during the year

(₹ in crore)

Rating Agency	Instruments	Rating assigned	Migration in ratings during the year	As at 31 March	
				2025	2024
India Ratings	Non-convertible debenture and subordinated debt	IND AAA/Stable	NIL	25,000.00	10,000.00
	Long-term bank rating/ Short-term bank rating	IND AAA (Stable) / IND A1+	NIL	65,000.00	50,000.00
	Commercial paper	IND A1+	NIL	9,000.00	7,500.00
CRISIL	Non-convertible debenture	CRISIL AAA/Stable	NIL	49,187.80	42,717.80
	Subordinated debt	CRISIL AAA/Stable	NIL	1,000.00	1,000.00
	Long-term / Short-term bank rating	CRISIL AAA/ (Stable) / CRISIL A1+	NIL	16,000.00	16,000.00
	Commercial paper	CRISIL A1+	NIL	9,000.00	7,500.00

53.3.6 Remuneration of Non executive Directors

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
1. Sanjiv Bajaj	0.57	0.39
2. Rajeev Jain	0.99	0.63
3. Anami N Roy	0.81	0.54
4. Dr. Arindam Bhattacharya	0.93	0.60
5. S M Narasimha Swamy	0.33	-
6. Jasmine Chaney	0.78	0.51

Note: It comprises of commission and sitting fees

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

53.4 Additional disclosures

53.4.1 Provisions and contingencies

Break up of 'Provisions and Contingencies' shown under the head expenditure in Profit and Loss Account

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
1. Provisions for depreciation on investment	-	-
2. Provision made towards Income tax/deferred tax and tax adjustments of earlier years	607.33	430.10
3. Provision towards NPA / impairment loss allowance on stage 3 assets	35.48	50.10
4. Provision for Standard Assets / impairment loss allowance on stage 1 and 2 *	18.21	(51.30)
5. Provision for employee benefits	8.07	7.45
6. Other provision and contingencies	4.19	16.29

* Breakup of provision for Standard Assets / impairment loss allowance on stage 1 and 2

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Commercial real estate	9.99	21.34
Commercial real estate-residential housing	14.70	17.70
Others	(6.48)	(90.34)
Total	18.21	(51.30)

Break up of Loan & Advances and Provisions thereon

(₹ in crore)

Particulars	Housing		Non-Housing	
	As at 31 March		As at 31 March	
	2025	2024	2025	2024
Standard Assets				
(a) Total outstanding amount	64,909.56	50,187.56	34,894.16	29,421.75
(b) Provisions made	191.58	186.60	213.36	200.13
Sub-Standard Assets				
(a) Total outstanding amount	103.72	88.66	72.81	70.08
(b) Provisions made	52.33	52.05	36.50	41.26
Doubtful Assets – Category-I				
(a) Total outstanding amount	38.22	20.42	30.63	20.19
(b) Provisions made	31.96	14.75	23.00	17.16
Doubtful Assets – Category-II				
(a) Total outstanding amount	20.21	7.57	14.71	8.47
(b) Provisions made	13.95	6.46	11.41	5.54
Doubtful Assets – Category-III				
(a) Total outstanding amount	2.07	0.15	4.63	0.07
(b) Provisions made	1.53	0.15	2.24	0.07
Loss Assets				
(a) Total outstanding amount	-	-	-	-
(b) Provisions made	-	-	-	-
Total				
(a) Total outstanding amount	65,073.78	50,304.36	35,016.94	29,520.56
(b) Provisions made	291.35	260.01	286.51	264.16

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53.4.2 Draw down from statutory reserve created u/s 29C of the National Housing Bank Act, 1987

The Company has not drawn any amount from statutory reserve created u/s 29C of the National Housing Bank Act, 1987 during the current year and previous year

53.4.3 Concentration of public deposits, advances, exposures and NPAs**53.4.3.1 Concentration of public deposits (for public deposit taking/holding HFCs)**

The Company is non public deposit taking housing finance company.

53.4.3.2 Concentration of loans and advances

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Total loans and advances to twenty largest borrowers	7,766.56	6,796.18
Percentage of loans and advances to twenty largest borrowers to total advances of the HFC	7.76%	8.51%

53.4.3.3 Concentration of all exposure (including off-balance sheet exposure)

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Total exposure to twenty largest borrowers / customers	9,516.92	8,539.65
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	7.57%	10.04%

53.4.3.4 Concentration of NPAs

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
Total exposure to top ten NPA accounts	29.28	34.62

53.4.3.5 Sector-wise NPAs

(₹ in crore)

Sector	As at 31 March 2025			As at 31 March 2024		
	Total advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector	Total advances in the sector	Gross NPAs	Gross NPAs% to total advances in the sector
Housing Loans:						
Individuals	53,161.49	157.13	0.30%	42,142.16	102.68	0.24%
Builders/Project loans	11,912.29	7.09	0.06%	8,162.20	14.12	0.17%
Non-Housing Loans:						
Individuals	15,257.44	109.14	0.72%	14,897.05	86.63	0.58%
Builders/Project loans	5,088.44	-	0.00%	3,503.55	-	0.00%
Corporates	14,671.06	13.64	0.09%	11,119.96	12.18	0.11%

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

53.4.4 Movement of NPAs

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
(I) Net NPAs to net advances (%)	0.11%	0.10%
(II) Movement of NPAs (Gross)		
(a) Opening balance	215.61	137.33
(b) Additions during the year	193.24	169.84
(c) Reductions during the year	121.85	91.56
(d) Closing balance	287.00	215.61
(III) Movement of net NPAs		
(a) Opening balance	78.17	49.99
(b) Additions during the year	101.00	75.23
(c) Reductions during the year	65.09	47.05
(d) Closing balance	114.08	78.17
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	137.44	87.34
(b) Provisions made during the year	92.24	94.61
(c) Write-off/write-back of excess provisions	56.76	44.51
(d) Closing balance	172.92	137.44

53.4.5 Overseas assets

The Company has not held any overseas assets as on reporting date (Previous year ₹ Nil).

53.4.6 Off-balance sheet SPVs sponsored (which are required to be consolidated as per accounting norms)

The Company does not have any SPVs sponsored in current year and previous year which were required to be consolidated as per accounting Norms.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53.4.7 Exposure to real estate sector and capital market (Refer Note no. 53.2.6.1 and 53.2.6.2)

53.4.8 Sectoral exposure

Sector	Type of Loan	Year ended 31 March 2025			Year ended 31 March 2024		
		Total exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of gross NPAs to total exposure in that sector*	Total exposure (includes on balance sheet and off-balance sheet exposure) (₹ in crore)	Gross NPAs (₹ in crore)	Percentage of gross NPAs to total exposure in that sector*
Agriculture and allied activities							
	Loan against property	9.86	0.18	1.83%	15.66	0.02	0.13%
Industries							
	Loan against property	1,749.00	10.57	0.60%	1,785.26	8.93	0.50%
Services							
	Commercial real estate (including CRE-RH)	33,423.09	7.09	0.02%	25,847.49	14.12	0.05%
	Loan against property-professionals	512.54	3.24	0.63%	793.43	4.37	0.55%
	Loan against property-others	4,468.22	39.98	0.89%	2,853.45	35.89	1.26%
Personal loans							
	Housing loans (including Top-up)	62,418.38	206.24	0.33%	50,625.15	131.37	0.26%
	Loan against property	988.47	3.26	0.33%	1,316.57	4.72	0.36%
Others							
	Unsecured loans	1,763.83	16.44	0.93%	1,797.83	16.19	0.90%
Total		105,333.39	287.00	0.27%	85,034.84	215.61	0.25%

*Aforementioned gross NPA ratio is computed on the total exposure (includes on-balance sheet and off-balance sheet exposure) i.e. Percentage of gross NPAs to total exposure of respective sectors. However, actual gross NPA ratio of the Company is computed on the basis of on-balance sheet exposure and accordingly both are not comparable.

53.4.9 Intra-group exposures

The Company does not have any intra-group exposures during the current year and previous year.

53.4.10 Unhedged foreign currency exposure

The Company does not have unhedged foreign currency exposure during the current year and previous year.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

53.4.11 Related Party Disclosure

Related Party	Parent		Fellow Subsidiary		Directors		Key Management Personnel (KMP)		Relatives of KMP		Others		Total	
	As at 31 March 2025	2024	As at 31 March 2025	2024	As at 31 March 2025	2024	As at 31 March 2025	2024	As at 31 March 2025	2024	As at 31 March 2025	2024	As at 31 March 2025	2024
Items														
Balance Sheet														
Borrowings														
Outstanding at the year end	(200.00)	(400.00)	(2,052.00)	(1,335.00)	-	-	-	-	(25.00)	(2,302.00)	(1,760.00)			
Maximum during the year	(400.00)	(550.00)	(2,052.00)	(1,335.00)	-	-	-	-	(50.00)	(2,527.00)	(1,935.00)			
Deposits														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances														
Outstanding at the year end	-	-	4.72	5.30	-	-	-	-	-	4.72	5.30			
Maximum during the year	-	-	5.42	6.23	-	-	-	-	-	5.42	6.23			
Investments														
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Equity Share Capital	(7,391.00)	(6,712.16)	-	-	-	-	-	-	-	(7,391.00)	(6,712.16)			
Other payables	(0.73)	(0.08)	(0.13)	-	(7.51)	(3.58)	(0.62)	(0.84)	-	(8.99)	(4.50)			
Other receivables	1.98	-	3.79	4.09	-	-	-	-	0.03	5.80	4.12			
Transactions during the year														
Purchase of fixed assets	0.02	0.55	-	-	-	-	-	-	-	0.02	0.55			
Sale of fixed assets	0.93	0.53	-	0.01	-	-	-	-	-	0.93	0.54			
Borrowings	-	-	217.00	217.00	-	-	-	-	-	217.00	217.00			
Borrowings repaid	200.00	150.00	-	-	-	-	-	-	25.00	225.00	175.00			
Interest paid	27.25	36.12	104.21	79.39	-	-	-	-	2.08	133.54	118.39			
Others														
Business Support Charges Paid	4.75	5.77	-	-	-	-	-	-	4.14	8.89	9.57			
Business support charges received	0.55	0.88	-	-	-	-	-	-	-	0.55	0.88			
Commission income	-	-	26.24	4.03	-	-	-	-	-	26.24	4.03			

(₹ in crore)

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC.CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

Related Party	(₹ in crore)													
	Parent		Fellow Subsidiary		Directors		Key Management Personnel (KMP)		Relatives of KMP		Others		Total	
	As at 31 March	2024	As at 31 March	2024	As at 31 March	2024	As at 31 March	2024	As at 31 March	2024	As at 31 March	2024	As at 31 March	2024
Items	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Equity contribution received (including premium)	2,000.00	-	-	-	-	-	-	-	-	-	-	-	2,000.00	-
Digital advertisement charges received	-	-	3.08	-	-	-	-	-	-	-	-	-	3.08	-
Servicing fee received	34.77	49.75	-	-	-	-	-	-	-	-	-	-	34.77	49.75
Direct assignment of loan portfolio	3,361.67	6,758.15	-	-	-	-	-	-	-	-	-	-	3,361.67	6,758.15
ESOP recharge	21.82	30.58	-	-	-	-	-	-	-	-	-	-	21.82	30.58
Rent income	0.22	0.22	-	-	-	-	-	-	-	-	-	-	0.22	0.22
Insurance expense	-	-	4.85	5.69	-	-	-	-	-	-	-	-	4.85	5.69
Sitting fees	-	-	-	-	1.47	0.89	-	-	-	-	-	-	1.47	0.89
Commission	-	-	-	-	2.94	1.78	-	-	-	-	-	-	2.94	1.78
Short term employee benefit	-	-	-	-	16.37	14.08	3.25	2.99	-	-	-	-	19.62	17.07
Share based payment	-	-	-	-	11.87	9.56	1.11	0.90	-	-	-	-	12.98	10.46
Rent expense	-	-	-	-	-	-	-	-	-	-	0.06	0.06	0.06	0.06
Services received	-	-	0.37	-	-	-	-	-	-	-	14.92	7.62	15.29	7.62
Manpower supply services	-	-	-	-	-	-	-	-	-	-	104.06	76.45	104.06	76.45
Company's contribution towards NPS	-	-	1.44	0.90	-	-	-	-	-	-	-	-	1.44	0.90
Servicing Fee paid	7.66	10.40	-	-	-	-	-	-	-	-	-	-	7.66	10.40
Reimbursement of offer expenses pursuant to Initial Public Offer of the Company.	23.12	-	-	-	-	-	-	-	-	-	-	-	23.12	-
Commission Received	-	-	19.98	9.60	-	-	-	-	-	-	-	-	19.98	9.60
Fees and commission paid	5.68	-	2.32	2.12	-	-	-	-	-	-	-	-	8.00	2.12
Sourcing commission received	0.16	1.15	-	-	-	-	-	-	-	-	-	-	0.16	1.15
Employees' gratuity contribution	-	-	-	-	-	-	-	-	-	-	-	1.09	-	1.09

Amount in bracket denotes credit balance.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53. Disclosures as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 dated 17 February 2021 as amended from time to time (Contd.)

53.4.12 Disclosure of complaints

(i) Summary information on complaints received from customers and from the Offices of Ombudsman*

		For the year ended 31 March	
S. No.	Particulars	2025	2024
Complaints received from its customers			
(a)	Number of complaints pending at beginning of the year	-	-
(b)	Number of complaints received during the year	197	308
(c)	Number of complaints disposed during the year	197	308
	- of which, number of complaints rejected	-	-
(d)	Number of complaints pending at the end of the year	-	-

*includes complaints reported through NHB - GRIDS Portal is 132 (Previous year 207)

Disclosure on complaints received from office of Ombudsman and Awards unimplemented not given as the Company, being a HFC, is not included under The Reserve Bank - Integrated Ombudsman Scheme, 2021

(ii) Top five grounds of complaints received from customer

For the year ended 31 March 2025

Grounds of complaints		Number of complaints pending as at 1 April 2024	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2025	Number of complaints pending beyond 30 days as at 31 March 2025
1	Foreclosure and ROI related	-	44	(20%)	-	-
2	Levy of charges related	-	38	9%	-	-
3	Insurance/VAS related	-	27	(47%)	-	-
4	Collection related	-	26	0%	-	-
5	EMI/Loan related	-	11	(42%)	-	-
6	Others	-	51	(58%)	-	-
		-	197		-	-

For the year ended 31 March 2024

Grounds of complaints		Number of complaints pending as at 1 April 2023	Number of complaints received during the year	% increase/ (decrease) in the number of complaints received over the previous year	Number of complaints pending as at 31 March 2024	Number of complaints pending beyond 30 days as at 31 March 2024
1	Foreclosure and ROI related	-	55	(25%)	-	-
2	Insurance/VAS related	-	51	(15%)	-	-
3	Levy of charges related	-	35	21%	-	-
4	Wrong /Incorrect linking of loan account	-	29	(37%)	-	-
5	Collection related	-	26	24%	-	-
6	Others	-	112	(40%)	-	-
		-	308		-	-

Notes to financial statements for the year ended 31 March 2025 (Contd.)

53.4.13 There were no breach of covenants of loans availed or debt securities issued in current year and previous year.

53.4.14 No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to RBI's supervisory inspection for the year ended 31 March 2024 and for the year ended 31 March 2023 as per the requirement of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 as amended from time to time.

53.4.15 Loans to Directors, Senior Officers and relatives of Directors

(₹ in crore)

Particulars	For the year ended 31 March	
	2025	2024
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives*	18.61	16.05

* The above amount represents loans sanctioned in respective financial year.

54. Disclosure of Frauds as per NHB (ND)/DRS/Policy Circular No.92/2018-19 dated 05 February, 2019

There was no case of fraud reported to NHB for the financial year ended 31 March 2025 (Previous year ₹ 0.63 crore)

55. The Company has not granted any loans against collateral of gold jewellery in current year and previous year.

56. Disclosures in respect of Liquidity Risk Management Framework as referred in para 3.1.1 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Appendix VI-A referred in para 26 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time

56.1 Funding Concentration based on significant counterparty (both deposits and borrowings)

Particulars	As at 31 March	
	2025	2024
(i) Number of significant counterparties*	20	22
(ii) Amount (in ₹ crore)	65,934.54	55,137.55
(iii) Percentage of funding concentration to total deposits [#]	NA	NA
(iv) Percentage of funding concentration to total liabilities ⁺	79.57%	79.23%

* Significant counterparty is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non Banking Financial Companies and Core Investment Companies. Funding concentration based on significant counterparty has been computed using latest beneficiary position instead of original subscribers.

[#] Total public deposits.

⁺ Total liabilities are excluding equity share capital and other equity.

56.2 Disclosures on Top 20 large deposits is not applicable being non deposit taking NBFC**56.3 Top 10 borrowings**

Particulars	As at 31 March	
	2025	2024
(i) Total amount of top 10 borrowings	51,319.24	44,008.16
(ii) Percentage of amount of top 10 borrowings to total borrowings	62.53%	63.66%

Funding concentration based on significant counterparty has been computed using latest beneficiary position instead of original subscribers.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

56. Disclosures in respect of Liquidity Risk Management Framework as referred in para 3.1.1 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Appendix VI-A referred in para 26 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time(Contd.)

56.4 Funding Concentration based on significant instrument/product*

Particulars	(₹ in crore)	Percentage of total liabilities **	(₹ in crore)	Percentage of total liabilities **
	As at 31 March 2025		As at 31 March 2024	
(i) Non-convertible debentures	37,524.56	45.29%	23,995.04	34.48%
(ii) Loans from bank	33,696.28	40.67%	35,462.14	50.96%
(iii) Loans from NHB	8,372.40	10.10%	6,837.59	9.83%
(iv) Commercial paper	2,241.14	2.70%	2,650.29	3.81%
(v) Deposits (Inter Corporate Deposits)	37.61	0.05%	184.26	0.26%
(vi) Triparty repo dealing and settlement (TREPs) against Government securities	199.93	0.24%	-	-

* Significant instrument/product is as defined in RBI Circular RBI/2019-20/88 DOR.NBFC (PD) CC.No.102/03.10.001/2019-20 dated 4 November 2019 on Liquidity Risk Management Framework for Non-Banking Financial Companies and Core Investment Companies.

** Total liabilities are excluding Equity share capital and Other equity.

56.5 Stock ratio

Particulars	As at 31 March	
	2025	2024
(i) Commercial paper as a percentage of total public funds*	2.73%	3.83%
(ii) Commercial paper as a percentage of total liabilities ⁺	2.70%	3.81%
(iii) Commercial paper as a percentage of total assets	2.18%	3.24%
(iv) Non convertible debentures (original maturity of less than 1 year) as a percentage of total public funds*	NA	NA
(v) Non convertible debentures (original maturity of less than 1 year) as a percentage of total liabilities ⁺	NA	NA
(vi) Non convertible debentures (original maturity of less than 1 year) as a percentage of total assets	NA	NA
(vii) Other short term liabilities as a percentage of total public funds**	21.53%	20.44%
(viii) Other short term liabilities as a percentage of total liabilities ^{#+}	21.32%	20.30%
(ix) Other short term liabilities as a percentage of total assets [#]	17.19%	17.27%

⁺ Total liabilities are excluding Equity share capital and Other equity.

* Public funds are considered as total of borrowings from NCD, CP, bank loans and ICDs.

[#] Other short term liabilities are residual maturities with in 12 months of bank loan, NCDs and other liabilities(excl. CPs).

56.6 Institutional set-up for liquidity risk management

The Company manages its liquidity risk management framework through various means like liquidity buffers, sourcing of long term funds, positive asset liability mismatch, keeping strong pipeline of sanctions and approvals from banks and assignment of loans under the guidance of ALCO and Board. For qualitative disclosure on liquidity risk management, refer note no. 50.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

57. Disclosures in respect of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Appendix XXI-A referred in para 89 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time

Quarter on quarter LCR for the year ended 31 March 2025

(₹ in crore)

	Q1 FY25		Q2 FY25		Q3 FY25		Q4 FY25	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets								
1. **Total High Quality Liquid Assets (HQLA)	2,422.60	2,422.60	2,567.23	2,567.23	1,959.54	1,959.54	2,473.54	2,473.54
Cash Outflows								
2. Deposits (for deposit taking Companies)							-	-
3. Unsecured wholesale funding	493.68	567.73	208.38	239.63	114.16	131.28	583.64	671.18
4. Secured wholesale funding	2,313.62	2,660.66	1,360.24	1,564.28	1,025.74	1,179.60	1,409.90	1,621.39
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirements	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations [#]	2,379.55	2,736.49	2,473.58	2,844.62	2,666.57	3,066.56	2,512.62	2,889.51
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	5,186.85	5,964.88	4,042.20	4,648.53	3,806.47	4,377.44	4,506.16	5,182.08
Cash Inflows								
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	820.89	615.67	908.22	681.17	877.28	657.96	939.42	704.56
11. Other cash inflows*	6,184.90	4,638.68	6,528.73	4,896.55	7,287.93	5,465.95	6,251.08	4,688.31
12. TOTAL CASH INFLOWS	7,005.79	5,254.35	7,436.95	5,577.72	8,165.21	6,123.91	7,190.50	5,392.87
	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13. TOTAL HQLA		2,422.60		2,567.23		1,959.54		2,473.54
14. TOTAL NET CASH OUTFLOWS		1,491.22		1,162.13		1,094.36		1,295.52
15. LIQUIDITY COVERAGE RATIO (%)		162.46%		220.91%		179.06%		190.93%
16. NHB requirement (%)		85.00%		85.00%		100.00%		100.00%
17. NHB Requirement Amount		1,267.54		987.81		1,094.36		1,295.52
**Components of HQLA								
High Quality Liquid Assets (HQLA)	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
1. Assets to be included as HQLA without any haircut	2,422.60	2,422.60	2,567.23	2,567.23	1,959.54	1,959.54	2,473.54	2,473.54
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	2,422.60	2,422.60	2,567.23	2,567.23	1,959.54	1,959.54	2,473.54	2,473.54

Notes to financial statements for the year ended 31 March 2025 (Contd.)

57. Disclosures in respect of Liquidity Coverage Ratio (LCR) as referred in para 3.1.2 of the Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Appendix XXI-A referred in para 89 of the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 as amended from time to time (Contd.)

Quarter on quarter LCR for the year ended 31 March 2024

(₹ in crore)

	Q1 FY24		Q2 FY24		Q3 FY24		Q4 FY24	
	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High Quality Liquid Assets								
1. **Total High Quality Liquid Assets (HQLA)	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79
Cash Outflows								
2. Deposits (for deposit taking Companies)	-	-	-	-	-	-	-	-
3. Unsecured wholesale funding	113.33	128.90	350.09	402.60	744.62	856.32	523.15	601.62
4. Secured wholesale funding	1,265.65	1,455.50	1,652.57	1,900.45	1,516.06	1,743.47	2,183.22	2,510.70
5. Additional requirements, of which	-	-	-	-	-	-	-	-
(i) Outflows related to derivative exposures and other collateral requirement	-	-	-	-	-	-	-	-
(ii) Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
(iii) Credit and liquidity facilities	-	-	-	-	-	-	-	-
6. Other contractual funding obligations [#]	2,764.46	3,179.30	2,818.19	3,240.92	1,859.48	2,138.40	2,209.90	2,541.39
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	4,143.44	4,763.70	4,820.85	5,543.97	4,120.16	4,738.19	4,916.27	5,653.71
Cash Inflows								
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	666.52	499.89	720.00	540.00	727.56	545.67	759.03	569.28
11. Other cash inflows*	6,290.30	4,717.72	5,862.09	4,396.57	5,331.07	3,998.31	6,358.24	4,768.68
12. TOTAL CASH INFLOWS	6,956.82	5,217.61	6,582.09	4,936.57	6,058.63	4,543.98	7,117.27	5,337.96
	Total Adjusted Value		Total Adjusted Value		Total Adjusted Value		Total Adjusted Value	
13. TOTAL HQLA		1,540.74		1,476.34		1,767.62		2,015.79
14. TOTAL NET CASH OUTFLOWS		1,190.93		1,385.99		1,184.55		1,413.43
15. LIQUIDITY COVERAGE RATIO (%)		129.37%		106.52%		149.22%		142.62%
16. NHB requirement (%)		70.00%		70.00%		85.00%		85.00%
17. NHB Requirement Amount		833.65		970.19		1,006.87		1,201.41
**Components of HQLA								
High Quality Liquid Assets (HQLA)	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow	Actual Cashflow	Stressed Cashflow
1. Assets to be included as HQLA without any haircut	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79
2. Assets to be considered for HQLA with a minimum haircut of 15%	-	-	-	-	-	-	-	-
3. Assets to be considered for HQLA with a minimum haircut of 50%	-	-	-	-	-	-	-	-
4. Approved securities held as per the provisions of section 45 IB of RBI Act	-	-	-	-	-	-	-	-
Total HQLA	1,540.74	1,540.74	1,476.34	1,476.34	1,767.62	1,767.62	2,015.79	2,015.79

[#] Other contractual funding obligations includes outflows from sanctioned but not disbursed and partially disbursed cases in next 30 Days as per ALM.

* Other cash inflows includes undrawn sanctioned term loan and CC lines from banks and other parties.

Notes to financial statements for the year ended 31 March 2025 (Contd.)

The Liquidity coverage ratio (LCR) is one of the key parameters closely monitored by RBI to enable a more resilient financial sector. The objective of the LCR is to promote an environment wherein Balance Sheet carry a strong liquidity for short term cash flow requirements. To ensure strong liquidity HFCs are required to maintain adequate pool of unencumbered high-quality liquid assets (HQLA) which can be easily converted into cash to meet their stressed liquidity needs for 30 calendar days. The LCR is expected to improve the ability of financial sector to absorb the shocks arising from financial and/or economic stress, thus reducing the risk of spill over from financial sector to real economy.

The Liquidity Risk Management of the Company is managed by the Asset Liability Committee (ALCO) under the governance of Board approved Liquidity risk framework and Asset liability management policy. The LCR levels for the Balance Sheet date is derived by arriving the stressed expected cash inflow and outflow for the next 30 calendar days. To compute stressed cash outflow, all expected and contracted cash outflows are considered by applying a stress of 15%. Similarly, inflows for the Company is arrived at by considering all expected and contracted inflows by applying a haircut of 25%.

Company for purpose of computing outflows, has considered: (1) all the contractual debt repayments, (2) expected outflows from credit facilities contracted with customers, and (3) other expected or contracted cash outflows. Inflows comprise of: (1) expected receipt from all performing loans and other receivables, (2) liquid investment which are unencumbered and have not been considered as part of HQLA and (3) CC/OD/committed credit line from banks and parent Company.

For the purpose of HQLA the Company considers: (1) Unencumbered government securities, (2) Cash and Bank balances.

The LCR is computed by dividing the stock of HQLA by its total net stressed cash outflows over next 30 days. LCR guidelines have become effective from 1 December 2021, requiring HFCs to maintain minimum LCR of 50%, LCR requirement is gradually increased to 100% by 1 December 2024.

58. Disclosure pursuant to Regulatory Guidance on Implementation of Indian Accounting Standards by NBFCs as referred in Annex II of Master Direction-Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023, as amended from time to time

Policy for sales out of amortised cost business model portfolios

Refer Note No. 4.3(i)(a)

Notes to financial statements for the year ended 31 March 2025 (Contd.)

59. The disclosure for comparison between provisions required under Income recognition, asset classification and provisioning (IRACP) norms and impairment allowances as per Ind AS 109 'Financial Instruments'

As at 31 March 2025

(₹ in crore)						
Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
(a) Performing Assets						
Standard	Stage 1	99,483.07	333.60	99,149.47	490.67	(157.07)
	Stage 2	320.65	71.34	249.31	3.54	67.80
Subtotal (a)		99,803.72	404.94	99,398.78	494.21	(89.27)
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	176.53	88.83	87.70	26.54	62.29
(ii) Doubtful up to:						
1 year	Stage 3	68.85	54.96	13.89	20.72	34.24
1 to 3 years	Stage 3	34.92	25.36	9.56	16.74	8.62
More than 3 years	Stage 3	6.70	3.77	2.93	6.70	(2.93)
Subtotal (ii)		110.47	84.09	26.38	44.16	39.93
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		287.00	172.92	114.08	70.70	102.22
(c) Other items						
Such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	5,630.93	33.49	5,597.44	-	33.49
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		5,630.93	33.49	5,597.44	-	33.49
	Stage 1	105,114.00	367.09	104,746.91	490.67	(123.58)
	Stage 2	320.65	71.34	249.31	3.54	67.80
	Stage 3	287.00	172.92	114.08	70.70	102.22
Total (a+b+c)		105,721.65	611.35	105,110.30	564.91	46.44

* Computed on the value as per the IRACP norms

As at 31 March 2024

(₹ in crore)						
Asset classification as per RBI Norms	Asset classification as per Ind AS 109	Gross carrying amount as per Ind AS	Loss allowance (Provisions) as required under Ind AS 109	Net carrying amount	Provision required as per IRACP norms*	Difference between Ind AS 109 provision and IRACP norms
(1)	(2)	(3)	(4)	(5)=(3)-(4)	(6)	(7)=(4)-(6)
(a) Performing Assets						
Standard	Stage 1	79,319.31	319.15	79,000.16	389.81	(70.66)
	Stage 2	290.00	67.58	222.42	6.45	61.13
Subtotal (a)		79,609.31	386.73	79,222.58	396.26	(9.53)
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	158.74	93.31	65.43	23.91	69.40
(ii) Doubtful up to:						
1 year	Stage 3	40.61	31.91	8.70	13.73	18.18
1 to 3 years	Stage 3	16.04	12.00	4.04	7.01	4.99
More than 3 years	Stage 3	0.22	0.22	-	0.22	-
Subtotal (ii)		56.87	44.13	12.74	20.96	23.17
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		215.61	137.44	78.17	44.87	92.57
(c) Other items						
Such as guarantees, loan commitments, etc. which are in the scope of Ind AS 109 but not covered under current IRACP norms	Stage 1	5,209.92	27.24	5,182.68	-	27.24
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		5,209.92	27.24	5,182.68	-	27.24
	Stage 1	84,529.23	346.39	84,182.84	389.81	(43.42)
	Stage 2	290.00	67.58	222.42	6.45	61.13
	Stage 3	215.61	137.44	78.17	44.87	92.57
Total (a+b+c)		85,034.84	551.41	84,483.43	441.13	110.28

* Computed on the value as per the IRACP norms

Notes to financial statements for the year ended 31 March 2025 (Contd.)

60. Disclosures pursuant to RBI Notification - RBI/2020-21/16 DOR.No.BP.BC/3/21.04.048/2020-21 dated August 6, 2020**For the half year ended 30 September 2024**

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2024 (A) [§]	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year [#]	Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 2024
	(A)	(B)	(C)	(D)	(E)
Personal loans	286.08	16.32	0.38	20.81	248.95
Corporate persons	1.61	-	-	0.04	1.57
Of which, MSMEs	0.37	-	-	0.01	0.36
Others	1.24	-	-	0.03	1.21
Total	287.69	16.32	0.38	20.85	250.52

For the half year ended 31 March 2025

(₹ in crore)

Type of borrower	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 30 September 24 (A) [§]	Of (A), aggregate debt that slipped into NPA during the half-year	Of (A), amount written off during the half-year [#]	Of (A) amount paid by the borrowers during the half-year*	Exposure to accounts classified as Standard consequent to implementation of resolution plan – Position as at the end of 31 March 2025
	(A)	(B)	(C)	(D)	(E)
Personal loans	248.95	7.28	0.24	19.74	221.93
Corporate persons	1.57	-	-	0.04	1.53
Of which, MSMEs	0.36	-	-	0.01	0.35
Others	1.21	-	-	0.03	1.18
Total	250.52	7.28	0.24	19.78	223.46

represents debt that slipped into NPA and was written off during the half-year.

* represents receipts net of interest accruals and drawdown, if any.

§ Includes restructuring implemented pursuant to OTR 2.0 executed till 31 December 2021 for personal loans, individual business loans and small business loans.

61. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021**(a) Details of loans (not in default) transferred through assignment**

Particulars	FY 2024-25		FY 2023-24	
Retention of beneficial economic interest (MRR)*	1%	10%	1%	10%
Number of accounts assigned through direct assignment	1,654	5,877	5,458	358
Amount of loan account assigned (₹ in crore)	3,361.66	2,225.52	6,758.14	333.78
Weighted average residual maturity (in months)	148.27	146.98	170.20	142.03
Weighted average holding period (in months)	17.60	16.59	14.32	14.78
Coverage of tangible security	100%	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

* Retained by the originator

Notes to financial statements for the year ended 31 March 2025 (Contd.)

61. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/86 DOR.STR.REC.51/21.04.048/2021-22 dated 24 September 2021 (Contd.)

(b) Details of loans (not in default) acquired through assignment

Particulars	FY 2024-25		FY 2023-24	
	90%	80%	90%	80%
Beneficial economic interest acquired *	90%	80%	90%	80%
Number of accounts acquired through direct assignment	34,040	1	17,288	19
Amount of loan account acquired (₹ in crore)	4,447.63	2.98	2,895.02	61.68
Weighted average residual maturity (in months)	225.24	172.00	206.73	205.37
Weighted average holding period (in months)	19.72	22.48	15.20	10.37
Coverage of tangible security	100%	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

* Acquired by the assignee

(c) No stressed loans transferred during the financial year ended 31 March 2025 and year ended 31 March 2024.

62. Disclosures pursuant to RBI Notification - RBI/DOR/2021-22/85 DOR.STR.REC.53/21.04.177/2021-22 dated 24 September 2021

The Company has not entered into any securitisation transactions during the current year and previous year.

63. Amounts less than ₹ 50,000 have been shown at actual against respective line items which are statutorily required to be disclosed.

64. Figures for the previous periods have been regrouped, wherever necessary, to make them comparable with the current period.

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration No.: 106655W

Amit Hundia
Partner
Membership No.: 120761

Saurabh Chitale
Partner
Membership No.: 111383

Pune: 23 April 2025

On behalf of the Board of Directors

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Gaurav Kalani
Chief Financial Officer
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Annexure (Forming part of financial statements)

Schedule to the Balance Sheet

Annexure as required in terms of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21 as amended from time to time

(₹ in crore)				
Particulars	Amount outstanding as at 31 March 2025	Amount overdue as at 31 March 2025	Amount outstanding as at 31 March 2024	Amount overdue as at 31 March 2024
Liabilities side				
1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid				
(a) Debentures				
Secured	36,001.63	-	22,725.94	-
Unsecured	1,522.93	-	1,269.10	-
(other than falling within the meaning of public deposits*)				
(b) Deferred credits	-	-	-	-
(c) Term loans	41,265.03	-	41,380.34	-
(d) Inter-corporate loans and borrowing	37.61	-	184.26	-
(e) Commercial paper	2,241.14	-	2,650.29	-
(f) Public deposits (As defined in Paragraph 4.1.30 of Master Direction – Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021, RBI/2020-21/73 DOR.FIN.HFC. CC.No.120/03.10.136/2020-21, updated as on 28 December, 2021.)	-	-	-	-
(g) Other loans (TREPs, Cash credit and working capital demand loan)	1,003.58	-	919.39	-
2 Break-up of (1) (f) above (Outstanding public deposits inclusive of interest accrued thereon but not paid)				
(a) In the form of unsecured debentures	-	-	-	-
(b) In the form of partly secured debentures i.e. debentures where there is a shortfall in the value of security.	-	-	-	-
(c) Other public deposits	-	-	-	-

Particulars		Amount outstanding as at 31 March	
		2025	2024
Assets side			
3 Break-up of loans and advances including bills receivables [other than those included in (4) below]			
(a) Secured		97,530.72	77,282.82
(b) Unsecured		1,982.14	2,017.93
4 Break up of leased assets and stock on hire and other assets counting towards asset financing activities			
(i) Lease assets including lease rentals under sundry debtors			
(a) Financial lease		-	-
(b) Operating lease		-	-
(ii) Stock on hire including hire charges under sundry debtors			
(a) Assets on hire		-	-
(b) Repossessed Assets		-	-
(iii) Other loans counting towards asset financing activities			
(a) Loans where assets have been repossessed		-	-
(b) Loans other than (a) above		-	-

Annexure (Forming part of financial statements) (Contd.)

Schedule to the Balance Sheet (Contd.)

Particulars		Amount outstanding as at 31 March	
		2025	2024
5 Break-up of Investments			
Current Investments			
1 Quoted			
(i) Shares			
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and bonds	-	-	
(iii) Units of mutual funds	1.19	0.67	
(iv) Government securities	1,220.26	1,417.52	
(v) Others (T-Bill)	-	-	
2 Unquoted			
(i) Shares			
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and bonds	-	-	
(iii) Units of mutual funds	-	-	
(iv) Government securities	-	-	
(v) Others (please specify)	-	-	
Long Term investments			
1 Quoted			
(i) Share	-	-	
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and bonds	-	-	
(iii) Units of mutual funds	-	-	
(iv) Government securities	1,311.87	520.38	
(v) Others	-	-	
2 Unquoted			
(i) Shares	-	-	
(a) Equity	-	-	
(b) Preference	-	-	
(ii) Debentures and bonds	-	-	
(iii) Units of mutual funds	-	-	
(iv) Government securities	-	-	
(v) Others	-	-	

6 Borrower group-wise classification of assets financed as in (3) and (4) above

(₹ in crore)

Category	Amount net of provisions as at 31 March 2025		
	Secured	Unsecured	Total
1 Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	97,530.72	1,982.14	99,512.86
	97,530.72	1,982.14	99,512.86

Category	Amount net of provisions as at 31 March 2024		
	Secured	Unsecured	Total
1 Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	77,282.82	2,017.93	79,300.75
	77,282.82	2,017.93	79,300.75

Annexure (Forming part of financial statements) (Contd.)

7 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted)

(₹ in crore)

Category	Amount as at 31 March 2025	
	Market Value / Break up or fair value or NAV	Book value (Net of provisions)
1 Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	2,533.32	2,533.32
	2,533.32	2,533.32

(₹ in crore)

Category	Amount as at 31 March 2024	
	Market Value / Break up or fair value or NAV	Book value (Net of provisions)
1 Related parties		
(a) Subsidiaries	-	-
(b) Companies in the same group	-	-
(c) Other related parties	-	-
2 Other than related parties	1,938.57	1,938.57
	1,938.57	1,938.57

8 Other information

(₹ in crore)

Particulars	As at 31 March	
	2025	2024
(i) Gross non-performing assets		
(a) related parties	-	-
(b) Other than related parties	287.00	215.61
(ii) Net non-performing assets*		
(a) related parties	-	-
(b) Other than related parties	114.08	78.17
(iii) Assets acquired in satisfaction of debt	-	-

* Provision for ECL Stage 3 has been considered.

On behalf of the Board of Directors

Atul Jain
Managing Director
DIN: 09561712

Sanjiv Bajaj
Chairman
DIN: 00014615

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Pune: 23 April 2025

Notes

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Rooted in Purpose. Growing with Time.

For over a century, our purpose has been our guide – nation building, empowering communities, building trust and creating financial resilience.

As the world transforms, so do we – blending legacy with innovation, experience with agility.

With deep roots and a clear vision, we're not just keeping pace with change – we're shaping it. Because while time moves forward, purpose keeps us grounded and growing.

Bajaj Housing Finance Limited

Regd. Office: Bajaj Auto Limited Complex, Mumbai – Pune Road, Akurdi,
Pune – 411 035, Maharashtra.

Tel: +91 20 7187 8060

www.bajajhousingfinance.in