
TAX GOVERNANCE POLICY

BAJAJ HOUSING FINANCE LIMITED

1. Objective

Bajaj Housing Finance Ltd. ('BHFL'/'the Company'), a subsidiary of Bajaj Finance Limited, is registered as a non-deposit taking housing finance Company with the National Housing Bank (NHB) since September 2015 to carry the business of housing finance and categorized as Upper Layer NBFC (NBFC-UL) under Scale Based Regulations (SBR) issued by the Reserve Bank of India. BHFL started its lending operations from July 2017. The Company got listed on the equity segment of the National Stock Exchange and BSE with its IPO in September 2024.

BHFL's Code of Ethics and Personal Conduct (CoEPC) requires all employees to comply with Laws of the Land. The CoEPC requires all employees must comply with all rules and regulations and laws including but not limited to GST, Professional tax, Income Tax, registrations/ licenses, and renewal thereof under various laws.

In addition to applicable taxes on income, BHFL also complies with other types of taxes such as goods and service tax, property tax, local tax etc. as applicable to BHFL.

Under our tax risk management strategy, we manage our tax affairs taking into consideration building long term shareholder value and to maintain our reputation as a responsible taxpayer with tax authorities and regulators.

2. Policy Scope and Applicability

This tax policy is applicable to the Company.

3. Tax related Compliance

BHFL is committed to comply in spirit as well as the letter with existing laws and regulations of India and any other country whenever applicable and have a policy of zero tolerance to non-compliance. BHFL endeavors to undertake all statutory tax compliances in all jurisdictions / states it operates within prescribed timelines. Technologies have been deployed to track the compliances within the timeframe provided with suitable escalations and reviews.

While undertaking such compliances, appropriate due diligences are carried out internally, and a valid maker-checker procedure is adhered to. BHFL maintains mandated records, information, necessary documentations etc. and extends full co-operation to agencies appointed for audit compliances. BHFL also ensures that all related parties' transactions are carried out at Arm's length price as per applicable tax laws and regulations.

The tax positions required to be taken by BHFL, is analyzed by the in-house tax team as well as wherever needed by external tax advisors. In case of complex tax positions or where multiple interpretations are possible, the company takes opinion from legal counsels or external tax advisors and maintains appropriate documentation for the same. In case of complex tax positions, the same are also reviewed/ discussed with

Chief Financial Officer (CFO) and where needed senior leadership and thereafter, the same is adopted by the Company.

BHFL will not divert any of its profits to low tax jurisdictions or tax havens for the purpose of any tax avoidance or evasion, nor will it employ or utilize any tax structures which lack commercial substance.

4. Tax Cost and Mitigation of tax risk

We understand the role played by Corporates in the overall development of the economy. Tax revenues, being the largest contributor to the overall collections of the Central and State Government, enables them to undertake various welfare and development schemes to make a progressive country. We feel proud in having participated in these efforts and have paid all the taxes legally due in India, in accordance with the rules set out by the relevant Government(s)/revenue authorities.

We are responsible for determining the tax objectives and ensuring that all applicable regulations as well as internal guidance and governance procedures relating to taxation are observed. We adhere to the internal control framework with a component of tax risk assessment and controls and the same is reviewed by internal and external teams.

Tax legislations are complex and often tax risks arise from differences in the interpretation of tax laws between the BHFL and Revenue authorities. This situation may result in disputes leading to tax risk and tax litigation. BHFL endeavors to limit tax risks to ensure that there is no loss (financial/reputational) or impediment to conduct of its business affairs. BHFL also monitors changes to tax legislation and government policies on continuous basis and determines its impact on the business and takes action, as per requirement to mitigate the risk, if any

5. Relationship with Government and Tax Authority

We maintain an open, honest, transparent, and constructive relationship in all our dealings with the tax authorities.

BHFL proactively participates in formal consultation process with tax authorities directly or via various industry bodies in relation to pre-budget discussions as well as various amendments carried out in tax laws from time to time. The Company ensure compliance with the relevant tax laws. In case of any disagreement with the tax authorities, necessary discussions are initiated with relevant tax authorities and ensure that the same are resolved with constructive discussions.

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