



Contents

CORPORATE OVERVIEW

- 02 Corporate Information
- 04 Our Leadership
- 06 Chairman's Letter
- 08 Your Home, Your Way
- 10 Sambhav Home Loans
- 12 Our ESG Priorities
- 14 Our journey
- 16 Our Strategic Pillars
- 17 The year Gone By

STATUTORY REPORTS

- 18 Management Discussion and Analysis
- 50 Directors' Report
- 77 Report on Corporate Governance
- 104 General Shareholder Information
- 110 Business Responsibility and Sustainability Report

FINANCIAL STATEMENTS

- 156 Independent Auditors' Report on the Financial Statements
- 168 Financial Statements

Corporate Information

Board of Directors



SANJIV BAJAJ

Chairman

RMC

SRC

CSR

RAJEEV JAIN

Vice Chairman

CC

AC

RMC

NRC

SRC

IT

CSC

SCBMF

CSR

ATUL JAIN

Managing Director

RC

RMC

IT

CSC

SCBMF

ANAMI N ROY

Independent Director

NRC

SRC

CSR

AC

RC

CC

DR. ARINDAM BHATTACHARYA

Independent Director

AC

IT

RMC

NRC

RC

JASMINE CHANEY

Independent Director

CSC

SCBMF

AC

IT

CC

S M N SWAMY

Independent Director

RMC

SRC

CSC

SCBMF

AJAY KUMAR CHOUDHARY

Independent Director

RMC

AC

IT

Committees

AC

Audit Committee

RMC

Risk Management Committee

NRC

Nomination and Remuneration Committee

SRC

Stakeholders' Relationship Committee

IT

IT Strategy Committee

CSC

Customer Service Committee

SCBMF

Special Committee for Monitoring & follow-up of cases of frauds

CSR

Corporate Social Responsibility Committee


RC

Review Committee for identification of wilful defaulter

CC

Credit Committee

 Chairperson

 Member

Note: The above committee positions are effective 1 May 2026.

Chief Financial Officer

GAURAV KALANI

Company Secretary

ATUL PATNI

Auditors

MUKUND M. CHITALE & CO.
Joint Statutory Auditor

SINGHI & CO.
Joint Statutory Auditor

DVD & ASSOCIATES
Secretarial Auditor

Bankers

State Bank of India
HDFC Bank
Bank of Baroda
Canara Bank

Punjab National Bank
Union Bank of India
Bank of India
Axis Bank

Contact Details

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.

Tel No.: (020) 7187 8060

Email ID: bhfinvestor.service@bajajhousing.co.in

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

CIN: L65910PN2008PLC132228

**Registrar to an Issue and
Share Transfer Agent**

KFin Technologies Ltd.

Unit: Bajaj Housing Finance Ltd.

Selenium Building, Tower-B, Plot
No 31 and 32, Financial District,
Nanakramguda, Serilingampally,
Hyderabad, Rangareddy,
Telangana – 500 032

Toll Free No.: 1800 309 4001

Email ID: einward.ris@kfintech.com

Website: <https://www.kfintech.com>
<https://ris.kfintech.com>

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/>

Our Leadership

Gagandeep Malhotra

Executive Vice President,
Risk

Vipin Arora

President,
Commercial Real Estate
& Developer Finance

Anurag Jain

Executive Vice President,
Information Technology

Niraj Adiani

Executive Vice President,
Home Loans

Gaurav Kalani

Chief Financial Officer

Vijay Solanki

Treasurer

Pawan Bhansali

President,
Near Prime & Affordable

Gaurav Pruthi

Executive Vice President,
Debt Management Services

Dushyant Poddar

Executive Vice President,
Developer Finance



Sayantani Dutta

Chief,
Human Resources & Administration

Rajeev Jain

Vice Chairman

Sanjiv Bajaj

Chairman

Atul Jain

Managing Director

Jasminder Chahal

President,
Home Loans

Chairman's Letter



Your Company incubated a dedicated strategic business unit (SBU) for *Sambhav* loans to expand its addressable customer segment to near prime and affordable customers. This SBU is shaping up well in terms of current monthly disbursement run-rate. I expect this business to grow considerably in the years ahead.



Dear Shareholder,

Your Company, a listed subsidiary of Bajaj Finance Limited, is a non-deposit taking housing finance company registered with the National Housing Bank since September 2015 to carry on the business of housing finance. It commenced lending operations in July 2017 and has crossed the Assets Under Management (AUM) milestone of ₹140,000 crore during the financial year 2025-26 (FY2026).

The housing sector is an integral part of the Indian economy. It continues to remain resilient thanks to improving mortgage penetration, rising per capita income, and formalisation of the sector after concerted implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA).

Both residential and commercial real estate has shown steady growth. So, too, has housing finance. There has been a continual improvement in the ratio of housing loan penetration to GDP – from 8% in FY2015 to 11.23% in FY2025. In such a milieu, how has your Company fared?

Before going any further, let me highlight a relatively new feature of the housing finance market. Scheduled commercial banks have large current account and savings account (CASA) balances; in search of higher returns, some of these balances have been deployed for housing finance, typically at lower interest rates than those charged by pure housing finance companies. This has created a very competitive landscape where potential borrowers often opt for the lower interest rate bank lenders instead of specialist housing finance enterprises.

The only way of challenging this is through greater cost competitiveness, superior delivery and a more attractive suite of products. Moreover, your Company has opted for a relatively higher strata of customers: salaried, self-employed, professionals, developers and key commercial clients.

By doing so, your Company has remained one of the largest housing finance companies in India with a diversified mortgage product suite for retail as well as commercial clients – one that is focused on building a sustainable mortgage business with a scalable balance sheet and a low-risk business model.

Your Company's full mortgage product suite spans across (i) Home Loans (ii) Loans Against Property (iii) Lease Rental Discounting (iv) Developer Financing and (v) Others, covering non-collateralised loans.

Under its retail product suite, your Company caters to salaried, self-employed and professionals across all customer segments and offers the entire spectrum of retail mortgage products.

In the commercial product suite, your Company offers lease rental discounting on commercial, retail, warehousing and industrial properties to commercial clients spanning across developers, high net worth individuals and corporates; and its developer financing product covers both residential as well as commercial construction finance offerings to real estate developers.

Your Company enjoys the highest credit rating of AAA/stable for its long-term debt programme and A1+ for its short-term debt programme from CRISIL and India Ratings. These ratings enable BHFL to diversify its funding sources and optimise its borrowing cost.

As in the previous year, FY2026 has been excellent for your Company. Allow me to give a brief overview of the results.

- Assets under management grew by 23% to ₹ 140,706 crore.
- Net interest income rose by 25% to ₹ 3,752 crore.
- Net total income increased by 23% to ₹ 4,391 crore.
- Profit before tax grew 20% to ₹ 3,320 crore.
- Profit after tax rose by 18% to ₹ 2,560 crore.
- BHFL has healthy capital adequacy with CRAR at 22.46% as of 31 March 2026 and Tier-1 ratio of 22.01%. Both are well above the regulatory norms.
- ROA was steady at 2.3% and ROE stood at 12.1% for FY2026
- The overall capital base was ₹ 22,523 crore as on 31 March 2026.
- As of 31 March 2026, gross NPA improved by 2 bps on Y-o-Y basis and stood at 27 bps, while net NPA stood at 11 bps. Your Company has one of the lowest GNPA among large players in the housing finance industry.

As with all other companies in the Bajaj Finserv Group, BHFL has proactively undertaken AI-based digital initiatives to enhance operational efficiency, strengthen process governance and provide seamless and transparent customer experience. Details of these initiatives are given in the chapter on *Management Discussion and Analysis*. I encourage you to read through these.

I should also inform you that your Company significantly bettered each and every regulatory ratio as prescribed by the Reserve Bank of India for housing finance entities.

Let me touch upon a bit on affordable housing. Your Company incubated a dedicated strategic business unit (SBU) for *Sambhav loans* to expand its addressable customer segment to near prime and affordable customers. This business has two parts: (i) near prime housing, and (ii) affordable housing – each having separate differentiators and business approaches. This SBU is currently operational across 73 urban locations and 72 tier-4/rural locations. It is shaping up well in terms of current monthly disbursement run-rate. I expect this business to grow considerably in the years ahead.

Given our long legacy of social stewardship, the Bajaj Group has embarked on its most ambitious journey with Bajaj Beyond, a landmark corporate social responsibility (CSR) commitment with an investment of ₹ 5,000 crore to touch the lives of two crore Indians over five years. For us, CSR is a nation and society building imperative. In this, we are focusing on two pillars: Youth and Children – i.e. the youth of today and that of tomorrow.

Now for some rejoicing. 2026 represents 100 years of the Bajaj Group. Not too many corporate or industrial groups of major size can claim to have such a long history. We are justly proud of it. And we pray that this is the beginning of a double-century!

Where do we go from here?

In normal times, I would confidently look forward to even better results. However, the war between Iran and the USA and Israel centered around the critically important Strait of Hormuz in the Persian Gulf casts some shadows. If this were to continue for a while, it could choke off supply of crude oil and natural gas. This, in turn, would lead to higher costs and inflation in India; put a brake on disposable income; and hence dampen housing sentiments and home loan demand. This has not happened yet. And I pray that it will not.

Even so, I believe that your Company has the wherewithal to rise above this constraint and declare at least as good operational and financial results in FY2027. Indeed, I wish to embolden your Company's Management to achieve such an outcome.

As always, thank you for your support. And with it, my special thanks to each and every employee of your Company for delivering such stellar performance.

Yours sincerely,

Sanjiv Bajaj
Chairman

YOUR HOME, YOUR WAY

BAJAJ HOUSING FINANCE HOME LOANS

A customised home loan approach that enhances accessibility while making the borrowing experience simple, convenient, and affordable. At Bajaj Housing Finance, we focus on enabling homeownership through customised solutions designed around individual needs and supported by tech-enabled delivery, ensuring ease of transactions through a customer-first approach.

Fast &
Transparent

Tailor-Made
Solutions

Service at
Your Fingertips

FLEXIBLE REPAYMENT PLANS

- 'My EMI' scheme
- 'EMI Holiday' scheme
- 'Pre-EMI' option
- Flexible down payment option

QUICK & HASSLE-FREE PROCESSES

- No hidden charges
- Disbursal in 48 hrs*
- Doorstep documentation support

Tailored.
Convenient.
Transparent.

DIGITAL & ASSISTED SERVICE

Digitally enabled journey

- e-Application
- e-Sanction
- e-Agreement

Self-service via Customer
Portal and Mobile App

- Download statements
- Manage loan

T&C Apply | Finance at the sole discretion of Bajaj Housing Finance Limited. Please visit <https://www.bajajhousingfinance.in> for Most Important Terms & Conditions and more details on interest rates, fees, and charges.
*The loan is disbursed after the approval of application and document verification.

SAMBHAV

HOME LOANS

Karein har ghar mumkin

Sambhav Home Loan is designed to expand access to homeownership through an inclusive and structured approach. Focused on first-time buyers and diverse income profiles, Sambhav enables financing aligned with affordability and customer-specific needs.

Inclusive Eligibility

- Serving salaried, self-employed, and informal segments
- Eligibility based on structured income assessment
- Cash income and family income based
- Aligned to modest housing needs

INCLUSIVE HOMEOWNERSHIP

Expanding access to home loans across diverse customer segments, including first-time buyers.

STRUCTURED INCOME ASSESSMENT

Eligibility based on assessed income through defined frameworks, ensuring consistency and discipline.

PMAY-U 2.0 BENEFITS

Eligible customers can avail of benefits under the PMAY-U 2.0 Interest Subsidy Scheme (ISS) when opting for Sambhav Home Loans.

Meeting India's Diverse Housing Finance Needs

Sambhav Loans complete our Home Loan offerings, enabling us to cater to all customer profiles across income bands, occupations, and loan requirements.

The addition of Sambhav has strengthened our ability to serve customers with varied income structures, including self-employed individuals, small business owners, and cash-salaried borrowers.

By recognising the distinct needs of each segment and incorporating them into our product design and credit assessment frameworks, we are making housing finance more accessible while remaining focused on sustainable growth.



Our ESG Priorities

Our Board-approved Responsible and Sustainable Business Conduct Policy is aligned with the NGRBC and integrated into our business model. To drive ESG objectives and maximise impact, we are directing our efforts towards these priorities.



CORPORATE GOVERNANCE

Conduct and govern business with integrity, follow ethical business practices, and maintain transparency and trust in dealing with all stakeholders to achieve the Company's vision and objectives.

CUSTOMER OBSESSION

Provide a seamless customer experience throughout the customer lifecycle.



FINANCIAL INCLUSION

Expanding access to finance for underserved segments for inclusive growth while opening new markets and customer segments.

HUMAN CAPITAL MANAGEMENT

Providing an environment that encourages both personal and professional advancement while empowering our workforce to reach their fullest potential.



PRESERVING AND PROTECTING THE ENVIRONMENT

Achieve Carbon Neutrality for Scope 1 and Scope 2 emissions by FY2032, further reinforcing our unwavering commitment to a sustainable and responsible future.



INFORMATION AND CYBER SECURITY

Prioritise strong measures in information and cyber security to prevent disruptions and protect customer data and business operations.

STAKEHOLDER ENGAGEMENT

Engage with relevant stakeholders to enhance sustainable and responsible business practices.



EMPOWERING SOCIETY

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

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

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

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

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

FY24

PAT
₹ 1,731 Cr

NET WORTH
₹ 12,234 Cr

Raised capital
₹ 5,560 Cr

Launched the Online Customer Onboarding journey (DIY home loans with online application to approval)

Expanded operations to focus on Self-Employed Home Loans

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

Equity capital market listing in Sep'24

Launched SBU for Home Loans offering to near prime and affordable segments

FY26

PAT
₹ 2,560 Cr

NET WORTH
₹ 22,523 Cr

Crossed
₹ 1,40,000 Cr
AUM milestone

Regional hubs based underwriting model for affordable housing



Business Today
India's Best Banks Awards
2026

Best
Housing
Finance
Company

Our *Strategic* Pillars

Strength-Led Scalable Growth

We remain focused on building a scalable balance sheet, with Prime Housing and Lease Rental Discounting positioned as anchor products driving scale. This approach is supported by a diversified borrowing mix across banks, money markets, and the NHB, with a continued focus on longer tenor borrowings to support long-term lending.

Reasonable Returns with Low Risk

Our business model is anchored in delivering low-risk growth, supported by robust underwriting and disciplined risk management practices. A balanced portfolio mix across products, customer categories, and segments enables us to deliver consistent and reasonable returns while maintaining portfolio quality.

Comprehensive & Diversified Offerings

We offer a comprehensive mortgage product suite across all customer categories, covering a wide range of transaction types and segments, including both prime and non-prime. This enables us to address diverse customer requirements while strengthening our position across segments.



The *Year* Gone By

₹ 1,40,706 Cr
Assets Under Management

₹ 64,616 Cr
Disbursement

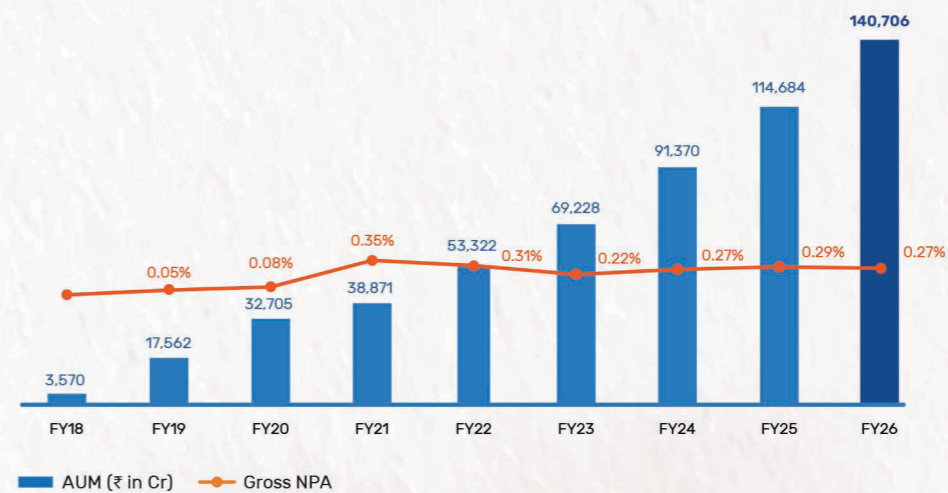
₹ 3,320 Cr
Profit Before Tax

22.46%
Capital Adequacy Ratio

0.27%
Gross Non-Performing Assets

182
Number of Locations Served

Our *Growth* Journey



**ASSETS UNDER
MANAGEMENT**

9-YEAR CAGR

58%

Management Discussion and Analysis

Bajaj Housing Finance Limited ('BHFL' or 'the Company'), a subsidiary of Bajaj Finance Limited, is a registered non-deposit taking housing finance company with the National Housing Bank (NHB) since September 2015 to carry on the business of housing finance. It commenced lending operations in July 2017 and has crossed the Assets Under Management (AUM) milestone of ₹ 1,40,000 crore during the year.

BHFL is categorised as an Upper Layer NBFC (NBFC-UL) under the Scale Based Regulations issued by the Reserve Bank of India (RBI). It has also been listed on two major stock exchanges, i.e. the National Stock Exchange of India Ltd and the BSE Ltd since September 2024. 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.

Macroeconomic Overview

Financial Year 2026 (FY2026) witnessed geopolitical volatility and uncertainty that were carried forward from the ongoing Russia-Ukraine war. These were further intensified by the US tariff chaos during the first nine months of the year and resulted in unforeseen demand of safe haven assets with much sharper run up in commodities before cooling down in the fourth quarter. Such volatility was further fuelled in March 2026 with the advent of the West Asia crisis – impacting crude oil pricing, energy and gas imports due to supply chain disruption at the Strait of Hormuz. This crisis does not seem to be abating at the time of writing; and it will certainly have ripple effects on ancillary industries and the global growth outlook.

The global macroeconomic events during the year – especially the steep imposition of US tariffs on India for a period of time impacted export linked industries like textile, leather, organic chemicals, etc. Nevertheless, such global chaos period led a reform-oriented response from the Government of India to step up with multiple initiatives, such as bilateral trade deals with various countries, simplification of the GST norms and reduction of GST rates under multiple categories.

Q4 FY2026 started with some green shoots through finalisation of a much-awaited trade deal between the European Union (EU) and India, which ought to aid export diversification. This was further sweetened by a trade deal between India and the US, leading to reduction in the higher US tariff rate of 50% to 18%, resulting in relief for Indian exporters.

The International Monetary Fund (IMF), in its April 2026 release of the World Economic Outlook projected global growth at 3.1% for calendar year (CY)2026 (which was lower than CY2025 rate of 3.4%) and 3.2% for CY2027. Global headline inflation is expected to witness increment from 4.1% in CY2025 to 4.4% in CY2026, with a reduction to 3.7% in CY2027.

The IMF projected India's growth for 2026 and 2027 at 6.5% – which, as earlier, is significantly higher than other major economies and reflects the structural growth impetus happening in the country. Moreover, in April 2026, the IMF revised its 2025 growth rate upwards by 0.3% to 7.6% owing to better momentum in the third and fourth quarters.

In terms of our own estimates, the Second Advance Estimates released by the National Statistical Office (NSO) on 27 February 2026 incorporated a new series of GDP estimates with the base year being changed to 2022-23 which incorporates better benchmarking and additional data points. Based on these estimates, real GDP growth is estimated to grow by 7.6% for FY2026 compared to the FY2025 growth of 7.1%.

Real Gross Value Added (GVA) is estimated to grow at 7.7% for FY2026 versus 7.3% in FY2025. Current-year GVA was largely boosted by secondary sector growth of 9.1% and tertiary sector growth of 9%. However, primary sector growth is muted and estimated at 2.6% for FY2026.

In terms of quarterly trends, real GDP growth was ahead on Y-o-Y basis for second and third quarters of FY2026. Growth in the first quarter (April to June) was 6.7%; this rose to 8.4% in Q2 FY2026 (July – September) and then witnessed slight dip in Q3 to 7.8%. Real GVA growth rate for the current financial year has been also higher in Q2 and Q3 versus the same quarters of previous year. Real GVA growth rates were 7.0% in Q1 FY2026; it increased to 8.6% in Q2; followed by a slight moderation in Q3 to 7.8%.

On consumption front, both Private Final Consumption Expenditure (PFCE) and Gross Fixed Capital Formation (GFCF) are estimated to witness growth rates above 7% in FY2026. The PFCE growth rate expectation for FY2026 is 7.7% and GFCF growth rate is projected to be 7.1%.

India's current account deficit (CAD) narrowed sequentially to \$13.2 billion in Q3 FY2026 (1.3% of GDP) versus a revised deficit of \$14.1 billion in Q2 FY2026 (1.5% of GDP). On a Y-o-Y basis, it increased from \$11.3 Bn in Q3 FY2025. Imports witnessed growth of 8.6% to \$205.3 billion; exports grew 1.7% to \$111.7 billion; and net services receipts were at \$57.5 billion as against \$51.2 billion a year earlier.

During first nine months of FY2026, the consumer price index (CPI) remained well below 3.5%. The RBI has projected CPI inflation for FY2026 at 2.1% with Q4 FY2026 at 3.2%. Additionally, NSO released CPI with new base year of 2024, where CPI inflation for January 2026 was 2.74% which inched up to 3.21% for February 2026.

The RBI announced several measures to boost consumption through multiple policy rate cuts starting from February 2025. The RBI announced three policy rate cuts during the year: by 25 bps in April 2025; followed by 50 bps in June 2025; and an additional 25 bps in December 2025. Overall, the policy rate reduced from 6.25% to 5.25%.

Though policy rate cuts were intended for consumption and liquidity boost, this decreasing interest rate scenario also intensified margin pressure for floating interest rate linked loans, primarily for housing industry which was already witnessing heightened competition and aggressive pricing from banking sector.

Industry Overview

The Real Estate Sector and Housing Finance Companies

The housing sector remains an integral part of the Indian economy owing to its interlinkages with various ancillary industries supporting growth as well as employment opportunities. It continues to remain resilient thanks to improving mortgage penetration, rising per capita income and formalisation of the sector after concerted implementation of the Real Estate (Regulation and Development) Act, 2016 (RERA).

Moreover, the sector has benefited from the Government's continued focus on various structural initiatives such as 'Housing for All', Pradhan Mantri Awas Yojana (PMAY 2.0), SWAMIH fund for stalled projects along with higher budgetary allocations for housing related schemes.

The residential real estate sector which had a good run post-Covid in terms of absorption as well launches across the top-8 markets has started witnessing some consolidation with launches and absorption slightly moderating. Presently, the sector is witnessing a transition from volume-led to value-led growth, thanks to an increase in demand for premium and luxury housing, with new launches significantly favouring these two segments.

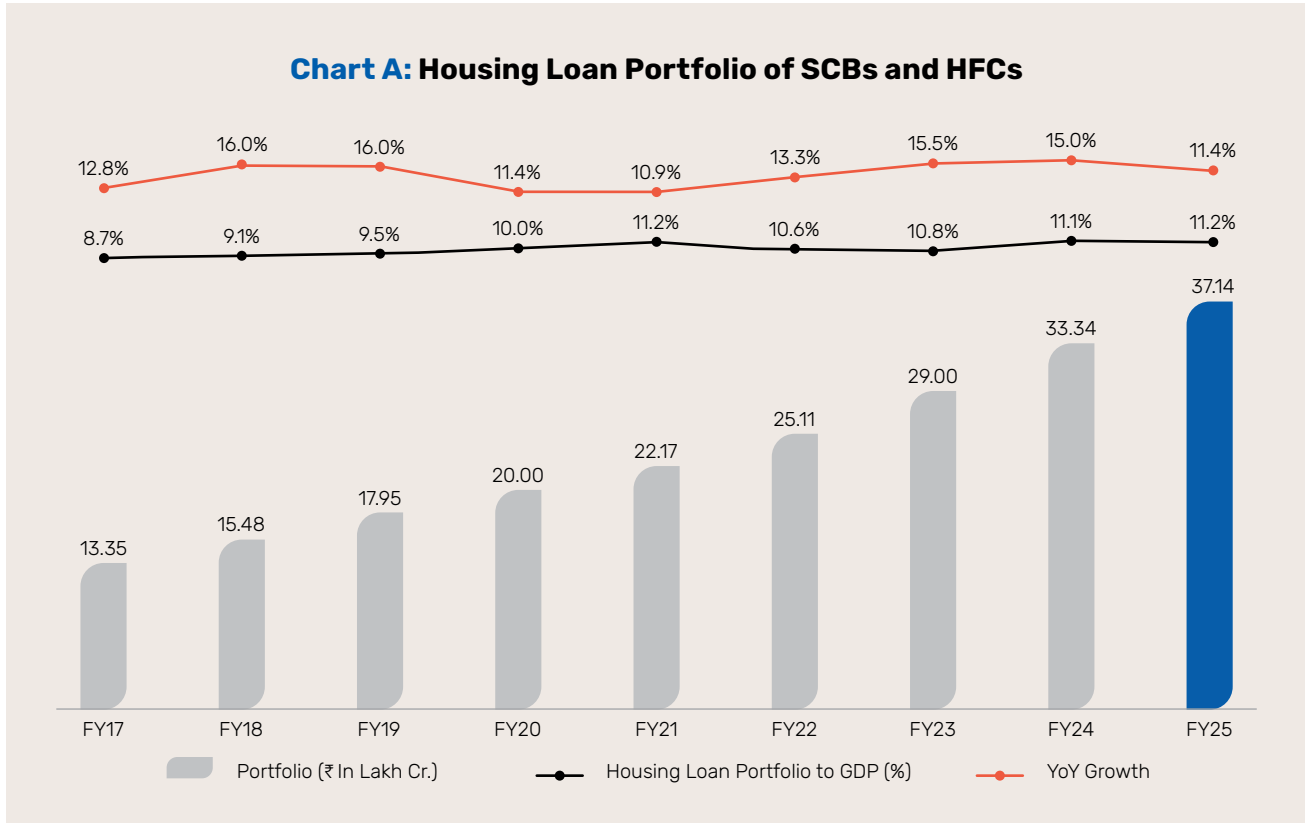
Commercial real estate continued to reflect India's growth story with sustained investment flows, portfolio expansion by global and domestic firms and strong trajectory of global capability centres (GCC) leasing thus driving both supply as well as absorption. With absorption outpacing supply, vacancy levels also moderated further. Overall, this sector is expected to remain resilient with corporate and GCC expansion.

The housing finance sector has also shown resilience and growth with HFCs playing an important role in aiding last mile financing. India continues to witness improvement in the ratio of housing loan penetration to GDP – from 8% in FY2015 to 11.23% in FY2025. There are some additional data points reflecting overall housing finance sector's strength:

- As per latest RBI's sectoral deployment of bank credit, the housing portfolio of India's Scheduled Commercial Banks (SCBs) grew by 11% from ₹ 29.78 lakh crore (as on 7 March 2025) to ₹ 33.05 lakh crore (on 28 February 2026).
- The overall portfolio of individual housing loans grew by 9.5% on Y-o-Y basis from ₹ 33.53 lakh crore in September 2024 to ₹ 36.70 lakh crore in September 2025. Within this portfolio growth, as of September 2025, the Public Sector Banks (PSB) grew 14% followed by Housing Finance Companies (HFCs) at 8.1% and Private Sector Banks (PVB) at 4.7%.
- As of September 2025, individual housing loan portfolio continued to have higher share of PSB at 45.7%, followed by PVB at 35.9% and HFC at 18.4%.

- National average of outstanding individual housing loans to Gross State Domestic Product (GSDP) stood at 10.85% as of September 2025. The concentration mix was: 15.85% in the western region; 12.19% in the south; 8.55% in the north; and 4.84% in the east. (Source: NHB Report on Trend and Progress of Housing in India, 2025)

Chart A: Trend of India's housing loan portfolio



Source: NHB Report on Trend and Progress of Housing in India, 2025.

Regulatory Change

The RBI continued its overarching strategic direction to protect consumer interests, fair practices and build resilience within the financial sector with implementation of various measures to enhance transparency and strengthen stakeholders in the sector. The RBI focused on harmonising regulations across lending entities to ensure financial stability, improve oversight and seamless customer experience. It issued several regulations and guidelines throughout the year which include:

- Consolidation of Regulatory Instructions:** To ease compliance for the Regulated Entities (REs), the RBI undertook a fundamental reorganisation of regulatory instructions. This comprehensive exercise involved consolidation of more than 3,500 existing directions, circulars and guidelines into 238 function-wise Master Directions spanning 11 types of regulated entities, including NBFCs.
- Framework of Co-lending Arrangements:** To enhance the potential of lending arrangements in catering to the credit needs of wider segments in a sustainable manner, comprehensive revised directions on Co-Lending Arrangements were issued during the year with an objective of providing specific regulatory clarity on the permissibility of such arrangements, while addressing prudential and conduct-related aspects.
- Pre-payment Charges on Loans:** The RBI released 'Pre-payment Charges on Loans Directions, 2025' in July 2025 applicable for Upper Layer NBFCs directing no pre-payment or foreclosure charges levy on floating-rate loans taken by individuals or Micro and Small Enterprises on new loans sanctioned or renewed from 1 January 2026 onwards.
- Project Finance Directions:** The RBI released Project Finance Directions in June 2025. These were issued to provide a harmonised framework for financing projects in infrastructure and non-infrastructure sectors (including commercial real estate and commercial real estate - residential housing) by regulated entities. These came into effect from 1 October 2025. These directions also lay down the revised regulatory treatment upon change in the Date of Commencement of Commercial Operations of such projects.

Additionally, the NHB issued circulars/advisories to HFCs on mandatory offering a choice of two insurance companies to borrowers, implementation of 1600 series numbers for service and transactional calls, as well as preparedness for adherence to BIS IS 17802 standards in case of products and services based on Information and Communications Technology provided by the housing finance companies.

In FY2026, the NHB's approach shifted from volume-led refinance to quality-controlled refinance. This effectively redirects refinance towards genuine housing creation, re-prioritisation of refinancing toward affordable and underserved segments, deeper affordable housing penetration, customer and borrower protection, customer-protective housing finance and institutional strengthening as well as core long-tenor finance to the Affordable Housing Finance Companies.

Being a regulatory compliant organisation, BHFL adheres to these regulations to the extent applicable to the Company along with various supervisory directions issued by the NHB.

₹ 1,40,706 crore

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

The Company

BHFL is one of the largest housing finance companies with diversified mortgage product suite for retail as well as commercial clients. It is focused on building sustainable mortgage business with scalable balance sheet and low-risk business model. The Company's full mortgage product suite spans across:

- Home Loans;
- Loans Against Property;
- Lease Rental Discounting;
- Developer Financing and
- Others, covering non-collateralised loans.

Under its retail product suite, BHFL caters to all customer types, i.e. salaried, self-employed and professionals across all customer segments (prime as well as non-prime) by offering all transaction types involving purchase, resale, self-construction and balance transfer. The Company covers the entire spectrum of retail mortgage products.

In the commercial product suite, the Company offers lease rental discounting (LRD) on commercial, retail, warehousing and industrial properties to commercial clients spanning across developers, high net worth individuals (HNI) and corporates; and its developer financing (DF) product covers both residential as well as commercial construction finance offering to real estate developers. This product suite covers the entire spectrum of commercial real estate needs from greenfield to stabilised assets.

Prime home loans and LRD are the two anchor products of the Company which deliver scale as well as low risk with higher mix of low-risk salaried customers in home loans portfolio coupled with marquee and good rated customer mix in LRD portfolio spanning across REITs, sovereign wealth funds, large corporates and large commercial developers – all of which enable to maintain a lower Gross NPA at the overall level.

The Company enjoys highest credit rating of AAA/stable for its long-term debt programme and A1+ for its short-term debt programme from CRISIL and India Ratings. These ratings enable the Company to diversify its funding sources and optimise its borrowing cost. BHFL maintains healthy capital adequacy with capital to risk-weighted assets ratio (CRAR) ratio – at 22.46% as of 31 March 2026.

Building a sustainable mortgage business within well-defined strategic construct

The Company's strategic construct enables it to build a scalable and low-risk mortgage business on the back of sustainable business model. It has five important pillars:

- **Scale:** Building scalable balance sheet through prime housing and LRD acting as anchors for delivering scale.
- **Low risk:** Maintaining low risk orientation through robust underwriting and portfolio monitoring practices with prime housing and LRD acting as anchor products to deliver low risk.
- **Reasonable return:** Optimising the portfolio mix between scale building and return enhancing products (developer financing, loan against property and non-prime home loans) and customer segments for reasonable overall return.
- **Full mortgage product suite:** Offering all mortgage products and transaction types to all customer types and segments.
- **Diversified borrowing:** Balancing diversified mix of borrowings to support longer tenor lending.

Sourcing strategy

The Company follows omnichannel sourcing across products complemented by micro-market approach to enhance sourcing funnel.

Omnichannel sourcing has a two prolonged strategy of leveraging both direct and indirect sourcing models for diversification as well as reducing concentration risk. The Company's direct sourcing model includes developer ecosystem (developer finance relationships and large approved project financier base), self-sourcing, digital partners and other digital assets with an intent of improving penetration across these channels. The indirect sourcing model spans across a wide array of intermediaries including channel partners, connectors, direct selling agents and aggregators with field teams focusing on enhancing the wallet share across each intermediary while also onboarding new partners.

The micro market model segregates each location into multiple micro markets for sharper focus, thereby driving market share increase at each micro market and thus at the location level.

Commercial businesses follow largely relationship-driven sourcing strategy. These also leverage indirect sourcing to a certain extent through wealth management companies and international property consultants.

To optimise field productivity and have sharper execution while catering to the differentiated nuances of each customer segment, the Company has aligned its internal structure across three business verticals based on the operating customer segments:

- **Retail (Prime):** Dedicated front-end teams for direct as well as intermediary sourcing channel serving to the prime customer segment for home loans and loan against property (LAP) supported by dedicated enabling functions (credit through centralised hubs, collateral, operations through regional hubs and risk policy).
- **Retail (Near Prime and Affordable Housing):** The Company incubated this new vertical last year and has thus expanded customer segmentation from prime to also 'near prime and affordable customers' under strategic business unit (SBU). This vertical has a dedicated front-end team and enabling functions, i.e. credit (centralised / regional hubs), collateral and operations (regional hubs) with the centralised credit hub for near prime and regional credit hubs for the affordable customer segments.
- **Commercial:** This vertical caters lease rental discounting and construction finance products to commercial clients by dedicated front-end teams having subject matter expertise and enabling teams.

Dedicated front end teams are intended to accelerate growth within target customer segments with differentiated sourcing strategy while dedicated enabling functions for each business vertical strengthen the underwriting and asset quality while catering to segment specific nuances.

To further drive operating leverage and enable multi-vertical growth, the support functions are horizontal across all these verticals including debt management, risk monitoring, treasury, IT, finance, legal, HR, compliance, marketing, etc. This structure enables operating efficiency through the years while having strategic investments in new products like the near-prime and affordable (or Sambhav) housing.

At the centre of all these structures, multiple competitive differentiators of the Company are leveraged to source customers through doorstep service, tailor-made solutions catering to the customer's varied needs,

with wider distribution network and digital processes from onboarding to loan disbursement – which eliminate multiple paper copies and enhancing transparency.

Growth levers to enable medium term growth

The Company has multiple growth levers enabling it to achieve home loans origination market share of 5% over the medium term with Sambhav loans contributing 20% of the overall home loans origination while maintaining steady growth in our commercial product suite. These are:

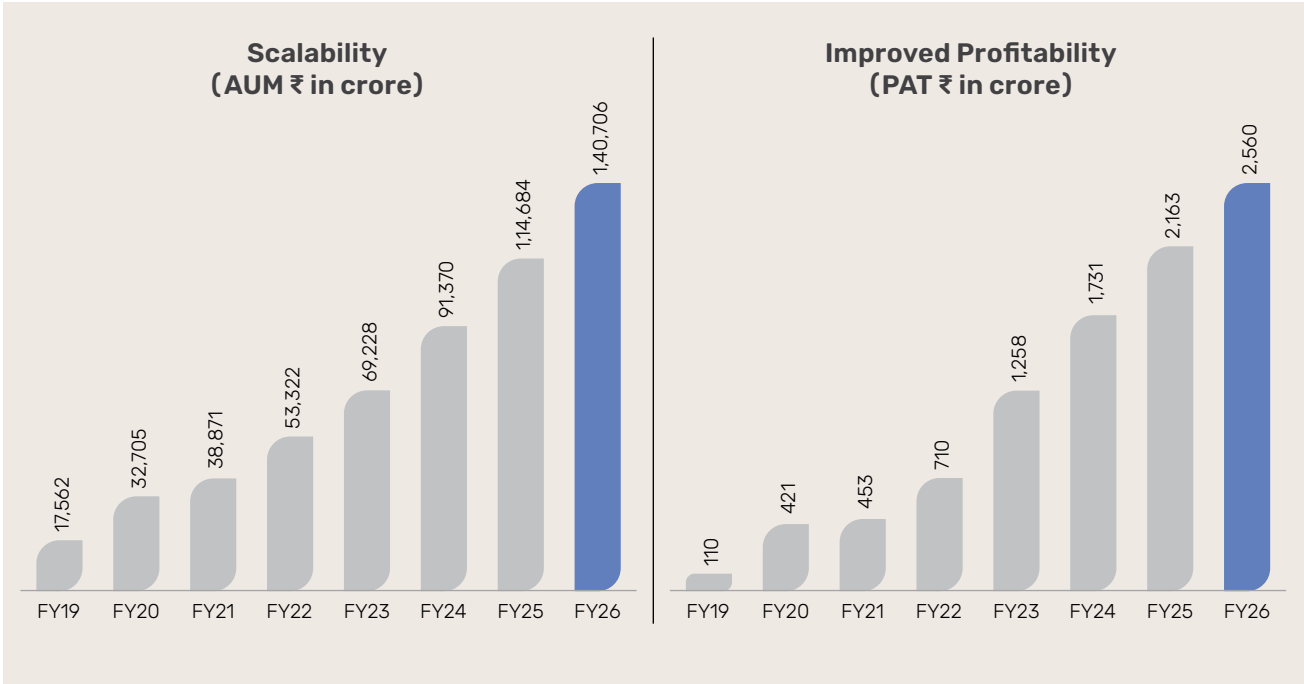
- **Deepening Prime Housing across top six locations:** Expand distribution network of developer ecosystem and intermediaries while segmenting these locations into focused micro-markets to accelerate customer acquisition and to drive deeper market share penetration.
- **Expanding non-top six locations:** Targeting higher incremental acquisition from non-top six markets to act as an incremental growth lever for prime housing.
- **Widening presence through Sambhav home loans:** Strategic investments in building Sambhav loans to expand addressable market share in near prime and affordable customer segment, thereby enhancing yield for home loans while acting as a natural hedge and providing stability to net interest income compression from the highly competitive prime home loans.
- **Enhancing customer wallet share in LRD:** Building long term partnership with marquee customers to establish preferred lender status and enhancing wallet share through deeper engagement while expanding customer funnel through onboarding of new high quality commercial relationships.
- **Scaling construction finance:** Continue to build granular portfolio of developer finance to protect margins as well as future growth funnel for retail home loans and complementing this growth engine by increasing contribution from emerging markets.

Performance Highlights, FY2026



- Assets under management (AUM) grew 23% to ₹ 1,40,706 crore.
- Net interest income rose by 25% to ₹ 3,752 crore.
- Net total income (NTI) increased by 23% to ₹ 4,391 crore.
- Operating expenses (Opex) growth of 16% to ₹ 867 crore.
- Opex to NTI ratio improvement from 20.9% in FY2025 to 19.7% of FY2026.
- Pre-impairment operating profit witnessed growth of 25% to ₹ 3,524 crore.
- Impairment on financial instruments was ₹ 191 crore as against ₹ 58 crore in FY2025.
- Profit before tax (PBT) grew 20% to ₹ 3,320 crore.
- Profit after tax (PAT) increased by 18% to ₹ 2,560 crore.
- Healthy capital adequacy with CRAR at 22.46% as of 31 March 2026 and Tier-1 ratio was 22.01%; both well above regulatory norms.
- ROA was steady at 2.3% and ROE at 12.1% for FY2026.
- Overall capital base stood at ₹ 22,523 crore as of 31 March 2026.

Chart B: Historical Key Metrics Trend



Business Update

The year witnessed multiple policy rate cuts which started from February 2025 with cumulatively 100 bps reduction till the end of FY2026 leading to repo rate moderation from 6.25% in April 2025 to 5.25% till March 2026. While the disbursement momentum has been good during the year, decreasing interest rate scenario creates pressure on AUM growth and NIM in case of floating rate linked mortgage loans with portfolio rate transmission, lower rate acquisitions and higher portfolio attrition in prime housing driven by heightened competitive intensity.

Additionally, the residential real estate market also witnessed moderation in launches as well as absorption with visible signs of consolidation in the sector towards premium and luxury housing. However, inventory overhang across top markets remained in a comfortable range with disciplined launches by the developers. Commercial real estate sector had another strong year with improvement in supply as well as absorption also aided by comfortable vacancy levels.

Though the housing finance market has witnessed competitive intensity in recent years, BHFL continued its growth momentum and further improved its market share in overall home loan originations at industry level. The Company witnessed growth in both portfolios – retail as well as commercial with overall AUM growth of 23% on Y-o-Y basis and AUM stood at ₹ 140,706 crore as of 31 March 2026.

The Company witnessed decent growth across portfolio where home loans grew 18%, LAP by 24%, LRD by 44% and developer finance by 13% on Y-o-Y basis which helped it to maintain a well-diversified AUM mix.

With respect to overall portfolio mix, home loans share stood at 54.1% followed by LRD at 22.4%, DF at 11.5% and LAP at 10.8%. Overall disbursement momentum picked up during the year with 27% Y-o-Y growth across 226 branches.

BHFL continues to diversify its borrowing mix with inclusion of new borrowing sources like pass through certificates to enhance funnel for longer tenor borrowings to support longer tenor lending. The overall borrowing mix was dominated by money market instruments with non-convertible debenture (NCD) at 43.9%; followed by bank borrowings at 40.8%; NHB refinance at 10.0% and commercial paper (CP) at 5.3% as of 31 March 2026.

The Company continued to have adequate liquidity buffer during the year which stood at ₹ 2,662 crore as of 31 March 2026. The liquidity coverage ratio stood at 146.10% for the fourth quarter and 152.52% as on 31 March 2026 as against regulatory requirement of 100%.

The Company's operating efficiencies continued to progress on the back of improved adoption of digital initiatives, leaner mid and back office structures and common support functions. Thus, opex to NTI improved 120 basis points from 20.9% in FY2025 to 19.7% in FY2026 while the Company continued its investments in non-top six locations, near prime and affordable verticals.

BHFL maintained healthy asset quality across portfolios with overall GNPA at 27 bps as of 31 March 2026 as against 29 bps as of 31 March 2025. This is one of the lowest GNPA amongst large HFCs.

The Company continued to have higher mix (84% as of 31 March 2026) of low-risk salaried customer segment in home loans portfolio coupled with marquee and well rated customer mix of 67% in LRD portfolio spanning across REITs, sovereign wealth funds, large corporates and large commercial developers – all of which enabled lower GNPA and credit cost.

Our Products

Operational in

182 locations

Avg. Loan Size
(at origination)

₹ 48 Lakh

84% Salaried,
13% Self-employed,
3% Professional

HOME LOAN



End-Use

Finance for new home purchase, resale, balance transfer, and self-construction. Dual Interest rate feature designed to offer borrowers a structured proposition with improved predictability in repayment.

Customers

Serving a wide range of customer segments, including prime, near prime, and affordable.

Sourcing Strategy

Micro-market led approach with dedicated operational areas, supported by a mix of direct and indirect sourcing channels for customer acquisition.

Operational in

74 locations

Avg. Loan Size
(at origination)

₹ 88 Lakh

79% Self-employed,
14% Salaried,
7% Professional

LOAN AGAINST PROPERTY



End-Use

Finance against residential and commercial properties for business expansion, home renovation, and debt consolidation. Dual Interest feature offering enhanced repayment predictability for borrowers.

Customers

Catering to diverse customer segments across prime, near prime, and affordable categories.

Sourcing Strategy

Balanced sourcing through both direct and indirect channels, with a focus on self-occupied residential property. Cash flow-backed lending.

Operational in

15 locations

Avg. Loan Size
(at origination)

₹ 54 Crore

601 Active
Customers

DEVELOPER FINANCE



End-Use

Construction finance for residential and commercial real estate projects. Milestone-linked tranche disbursement aligned with stages of construction, sales, and collections.

Customers

Residential and commercial real estate developers.

Sourcing Strategy

Catering to developers across micro-markets, regional geographies, and pan-India projects. Also acts as a sourcing funnel for retail home loans.

Operational in

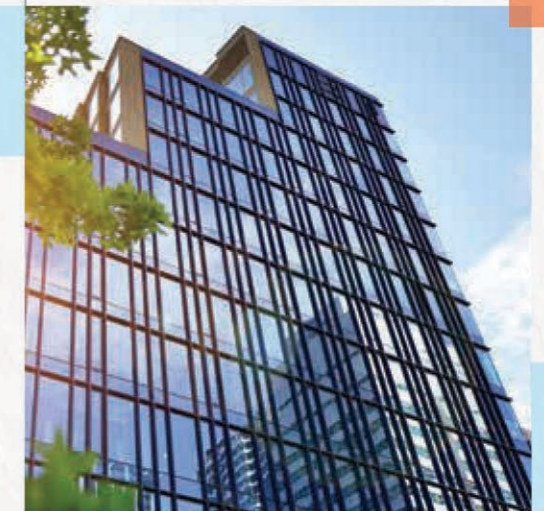
17 locations

Avg. Loan Size
(at origination)

₹ 126 Crore

328 Active
Customers

LEASE RENTAL DISCOUNTING



End-Use

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

Focused on stabilised commercial assets, including office spaces, warehousing, and industrial properties.

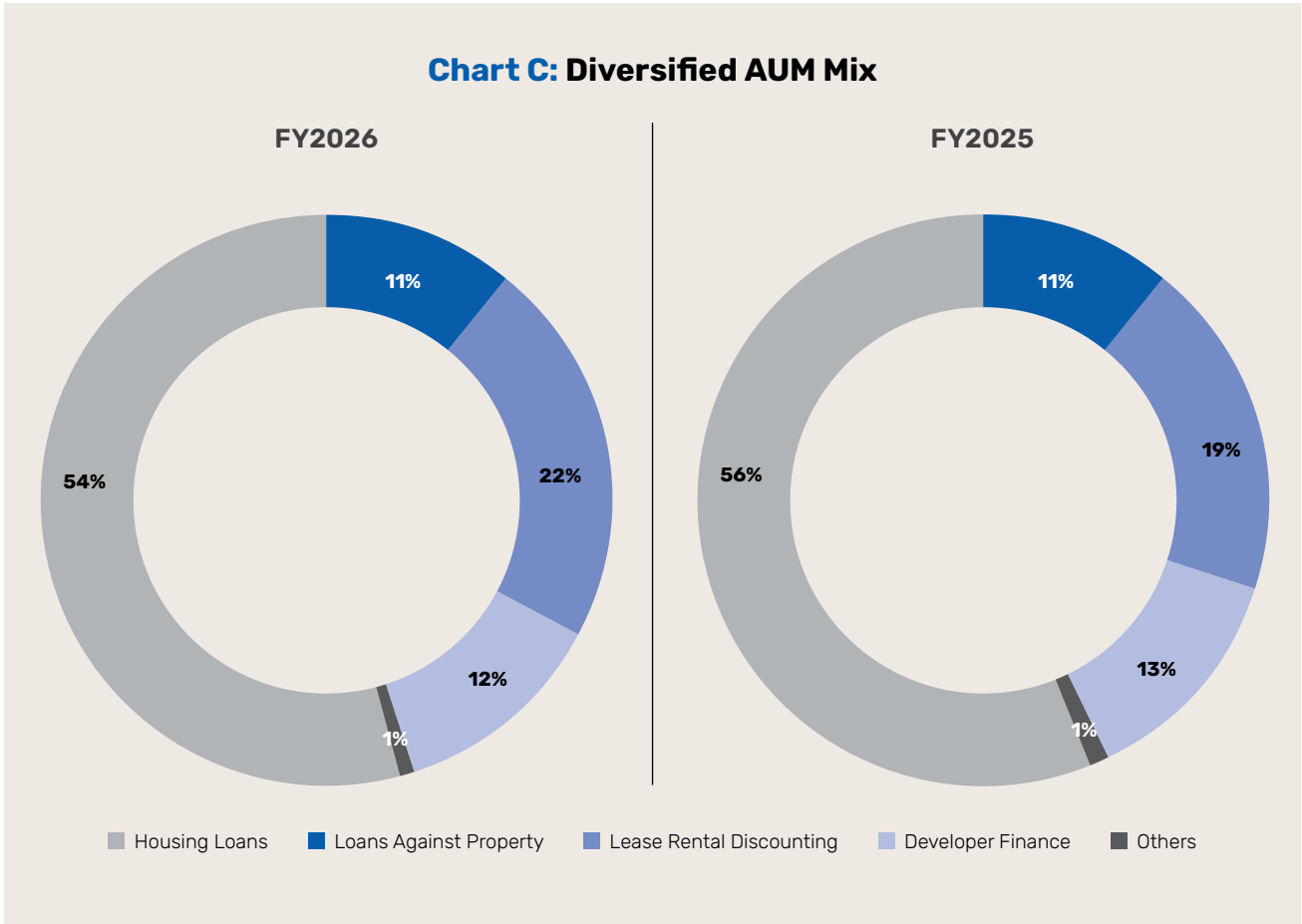
Customers

Commercial real estate developers, HNIs, listed REITs, private equity investors, and sovereign funds.

Sourcing Strategy

Relationship-led sourcing model with a focus on high-quality, Grade-A assets.

Chart C: Diversified AUM Mix



Home Loans

Home loan is an anchor product of the Company for delivering scale as well as low risk outcomes from prime housing. The Company offers home loans for all transaction types namely purchase, resale, balance transfer and self-construction – thus covering the entire spectrum of home loan needs of all customer types (salaried, self-employed and professionals) through its omnichannel sourcing strategy.

It leverages the developer financing ecosystem to source under construction home loans from developer financing relationships coupled with approved project finance base of over 9,400+ projects which enables the Company to fast-track loan processing time for under construction, purchase transactions.

Home loans are offered across 182 locations with an average loan value of ₹ 48.4 lakh and average customer salary of ₹ 15 lakh. Within home loans portfolio, salaried and professional customer segment comprises 84%. The Company offers home loans to both prime as well as non-prime customers. To have a dedicated focus and understanding the differentiated needs of non-prime customers, the Company operates through a dedicated SBU of Sambhav loans which also act as a return enhancer for the Company.

Overall home loans AUM grew by 18% on Y-o-Y basis, reaching ₹ 76,055 crore as of 31 March 2026.

Sambhav Housing: Expanding BHFL reach to near prime and affordable customers.

The Company incubated a dedicated business vertical for expanding its addressable customer segment to near prime and affordable customers through an SBU. This SBU is currently operational across 73 urban locations and 72 tier-4 / rural locations. It is shaping up well in terms of current monthly disbursement run rate.

This business has two parts: (i) near prime housing, and (ii) affordable housing – each having separate differentiators and business approaches as shown below:

Particulars	Near Prime	Affordable
Operating markets	Top 36 markets	Deeper geographies of top 36 markets & tier-4/rural locations
Target average ticket size (ATS)	40 – 60 Lakh	15 – 35 Lakh
Target Yield	9%– 11%	11% – 13%
Front end team structure	Dedicated team	Dedicated team
Credit structure	Centralised hubs	Regional hubs
Operations structure	Regional hubs	Regional hubs

Dedicated teams are also being deployed to diversify the sourcing funnel from existing B2C (intermediary sourcing) channel to B2B (developer ecosystem), direct to customer and LAP. Strategic investments in this SBU shall continue over the next couple of years to strengthen the structure and drive geographical expansion.

Loan Against Property

LAP product acts as a return enhancer in the Company’s overall strategic construct. The Company offers assessed income backed lending to self-employed, professionals and salaried customers against their residential as well as commercial properties. It leverages both sourcing channels i.e. intermediaries and direct-to-customer across 74 locations with average loan value of ₹ 88 lakh.

BHFL offers this product to diverse customer base from prime customers to near prime and affordable customer segment. In terms of customer segmentation mix, a higher share comes from self-employed customers at 79% of the overall portfolio.

This product has higher contribution of relatively low-risk self-occupied residential properties which constitute approximately 70% of the portfolio. As of 31 March 2026, LAP AUM grew by 24%, reaching ₹ 15,191 crore.

Lease Rental Discounting

LRD is the second anchor product of the Company which delivers scale, low risk and reasonable return. BHFL offers this product across stabilised assets including office space, retail, warehousing and industrial properties with focus on grade A commercial properties. This product is offered across 17 locations with an average loan value of ₹ 126 crore.

LRD has a marquee and diversified customer base including sovereign wealth funds, real estate investment trusts (REITs), private equity, MNC funds, large corporates and large commercial developers who contribute some 67% of overall LRD portfolio. It has diverse lessee base including MNCs and large Indian corporates with relationship-driven sourcing and servicing model.

This product delivers low risk with its dual security of cash flow and collateral backed exposures while having zero collateral execution risk. These exposures are backed by an escrow mechanism for rental cash flows being received from the lessees. The Company has a dedicated portfolio monitoring team for periodic tracking of rentals, vacancy trends and portfolio performance.

As of 31 March 2026, lease rental discounting AUM stood at ₹ 31,531 crore, representing a year-on-year growth of 44%.

Developer Finance

Developer / Construction finance plays an important role in expanding the funnel for retail home loans and enhancing returns for the Company. BHFL offers construction finance product to real estate developers through micro-market approach where these developers are evaluated based on their proven track record of 'ability to build and sell' in their respective micro-market along with vintage and financial performance.

The Company follows relationship driven sourcing model across 15 locations with an average loan value of ₹ 54 crore. The construction finance book spans 885 projects across 601 developers. It is, thus, very granular which reduces the concentration risk for the product. Moreover, this product expands the sourcing funnel for subsequent retail home loan sourcing from these developer relationships.

Exposures under this product have pre-defined milestones linked to stage of construction, sales and collection for further release of any tranche which minimise execution risk. These milestones are tracked periodically by an underwriting team as well as dedicated portfolio monitoring team to assess any emanating concern area and implement corrective action.

These exposures also have an escrow mechanism for project cash flows with pre-defined sweep structure which reduces the principal outstanding on a periodic basis even when a project is under principal moratorium period. Additionally, interest servicing happens from day 1 during the principal moratorium period thus providing further security on the exposure. Dedicated portfolio monitoring team tracks the escrow process along with periodic project visits to understand the on-ground veracity of underlying projects.

Developer financing AUM grew 13%, reaching ₹ 16,226 crore as of 31 March 2026.

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 and health insurance to its customers in partnership with various financial service providers. It currently has partnership with five insurance companies to enhance insurance penetration and fee income for the Company.

Assets Under Management (AUM): Snapshot

Table 1 (a): AUM across major business verticals

Particulars	(₹ in crore)			
	FY2026	FY2025	Change	AUM Mix
Housing loans (including top-ups)	76,055	64,447	18%	54%
Loan against property	15,191	12,262	24%	11%
Lease rental discounting	31,531	21,913	44%	22%
Developer finance	16,226	14,346	13%	12%
Other loans	1,703	1,716	(1%)	1%
Total	140,706	114,684	23%	100%

Table 1 (b): AUM as per regulatory criteria

Particulars	(₹ in crore)					
	AR FY2026	AUM FY2026	AUM Mix FY2026	AR FY2025	AUM FY2025	AUM Mix FY2025
Housing loans	63,840	65,448	47%	52,946	54,541	48%
Non-Housing loans	18,771	24,189	17%	16,731	21,869	19%
CRE-residential housing	13,196	13,196	9%	11,837	11,837	10%
CRE	27,938	37,783	27%	17,999	26,437	23%
Total	123,745	140,706	100%	99,513	114,684	100%
IHL PBC%*	50.45%			51.72%		
Overall PBC%#	60.88%			63.28%		

* percentage of total assets towards housing finance for individuals.

percentage of total assets towards housing finance.

Borrowings

Outstanding Borrowings exceeds
₹ 1 lakh crore

As mortgage is a long-term asset business, it requires long-term liabilities to avoid ALM mismatch. Accordingly, BHFL maintains a balanced mix of longer tenor borrowings along with diversification of borrowing sources which includes term loans, money market instruments, and NHB refinance.

To further diversify its borrowing profile, in FY2026 the Company issued floating rate linked pass-through certificates (PTC). This new borrowing avenue helps it to reduce interest rate risk, as majority of its advances are floating in nature.

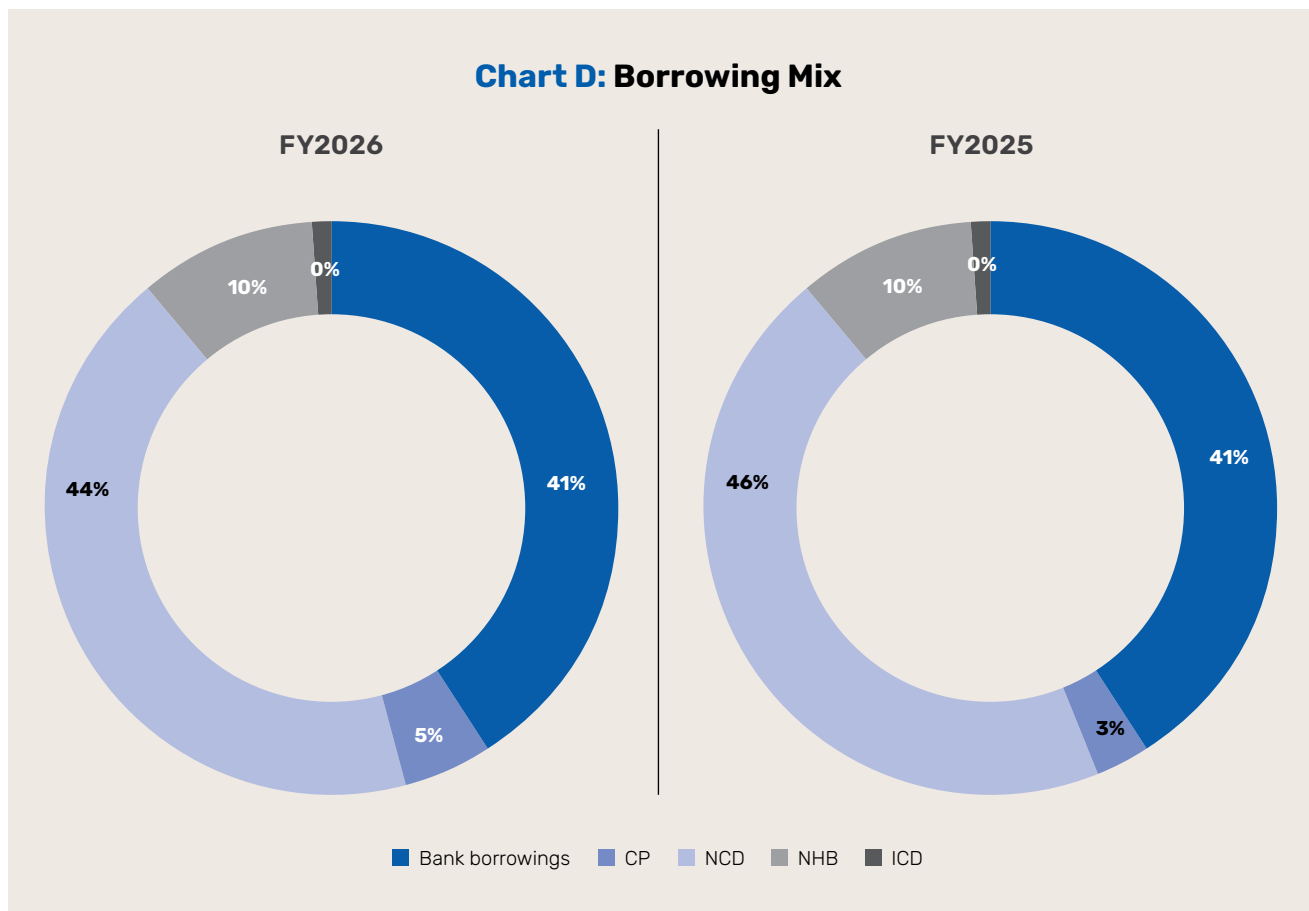
Overall borrowings grew from ₹ 82,072 crore as of 31 March 2025 to ₹ 1,03,704 crore as of 31 March 2026. As of 31 March 2026, BHFL's borrowing profile mix comprises following borrowing instruments:

- Non-convertible debentures (NCD): 44%
- Bank Borrowings: 41%
- NHB Refinance: 10%
- Commercial papers (CP): 5%

During FY2026, the Company raised ₹ 15,623 crore from NCDs, ₹ 16,825 crore from term loans, ₹ 3,789 crore from NHB refinance and ₹ 13,400 crore from CP. BHFL's bank borrowings are backed by relationships with 18 banks and within its bank borrowing mix, it has majority share of external benchmark linked interest rate loans thereby providing better transmission.

Assignment plays an integral part of the funding strategy due to replacement of fresh borrowings, ALM match and maintenance of PBC criteria through assignment of non-housing loans. Accordingly, the Company executes assignment transactions and continues to service these loan portfolios. Outstanding assignment portfolio as of 31 March 2026 stood at ₹ 16,961 crore.

Chart D: Borrowing Mix



Investments

BHFL has a Board-constituted investment committee (IC) that oversees investments and ensures that the overall investment portfolio aligns with the Board-approved investment policy in terms of type of instruments, duration, investment capping, etc.

The Company remains focused on optimising returns while diversifying its investment portfolio and ensuring that these investments are being made in the highly liquid instruments to maintain adequate liquidity availability. The Company meets the regulatory Liquidity Coverage Ratio requirement by investing in high-quality liquid assets.

As of 31 March 2026, BHFL's investment portfolio (including cash and cash equivalents) stood at ₹ 2,662 crore which is invested across treasury bills/government securities/SDLs (₹ 2,500 crore) and balances with banks (₹ 162 crore).

Table 2: Average return on investments

Particulars	Average Yield (%)
Government Securities/ SDLs/ T-bills	7.41%
Mutual Funds	5.72%
Fixed deposit with banks	5.43%
Overall Return	6.83%

Asset Liability Management (ALM)

BHFL has a three-tiered structure for oversight of its asset liability management which comprises Board-level Committee of Directors, a Management-level Asset Liability Committee (ALCO), and a sub-committee.

On a monthly basis, the Management-level ALCO reviews macroeconomic indicators impacting the sector and the Company, liquidity position, balance sheet growth, monitors various interest rate scenarios, liability maturities, and accordingly, guides the treasury team on fund raising and liquidity 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 while maintaining adequate liquidity to navigate a tight liquidity scenario. In addition to this, the Board-level committee also oversees the metrics pertaining to liquidity, interest rate and market risk on a periodic basis.

To manage liquidity risk, the Company has a liquidity risk management framework and Asset Liability Management policy. It maintains regulatory minimum daily liquidity in compliance with Liquidity Coverage Ratio (LCR) norms, by investing in high-quality liquid assets such as government securities, state development loans, treasury bills, and cash and bank balances.

Surplus liquidity above the prescribed LCR threshold is invested in liquid mutual funds, with oversight by the committee on regulatory LCR to ensure continued compliance and adequate liquidity. BHFL maintained an LCR of 152.52% as of 31 March 2026. This was well above the prescribed regulatory requirement of 100%.

152.52%

**Higher Liquidity Coverage Ratio (LCR),
well above regulatory requirement of 100%**

To manage interest rate risk arising from floating and fixed rate linked assets and liabilities, BHFL uses the ALM framework by categorising these interest rate risk sensitive assets and liabilities into defined tenor buckets and then monitor these against board approved limits. Additionally, the Company manages interest rate risk arising from mismatch between fixed rate liabilities and floating rate assets through hedging instruments like interest rate swaps to convert fixed rate liabilities into floating rate liabilities.

Asset-liability mismatches are monitored across defined maturity buckets as per the RBI guidelines and the ALM policy framework. Inflows are classified based upon the behavioural analysis of loan portfolio – factoring historical trends of foreclosures and part payments while outflows are determined based on the contractual maturities of borrowings. Other assets and liabilities are categorised based upon historical patterns.

In terms of ALM position, BHFL has positive ALM position in 1-7 days, 8-15 days and 15-31 days compared to the extant RBI regulation which permits a negative ALM mismatch of up to 10%, 10% and 20% respectively. The Company maintained positive ALM position with maturity period up to one-year bucket having cumulative inflow of ₹ 47,622 crore and cumulative outflow of ₹ 46,082 crore.

Table 3 gives the behavioural maturity pattern of BHFL's asset and liabilities.

Table 3: Behaviouralised ALM snapshot as on 31 March 2026

(₹ in crore)											
Particulars	1 to 7 days (one month)	8 to 14 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 years to 5 years	Over 5 years	Total
A. Inflows											
Cash and investments	8	-	192	4	7	69	2,388	-	-	-	2,668
Advances	1,403	554	1,448	2,730	2,637	7,561	13,433	37,949	21,885	34,145	123,745
Other inflows	2	150	1,002	4,006	3,482	2,435	4,111	10,724	6,767	9,118	41,797
Total inflows	1,413	704	2,642	6,740	6,126	10,065	19,932	48,673	28,652	43,263	168,210
B. Cumulative total inflows	1,413	2,117	4,759	11,499	17,625	27,690	47,622	96,295	124,947	168,210	
C. Outflows											
Borrowings repayment	-	110	247	4,619	4,203	4,878	11,354	39,749	20,703	17,841	103,704
Capital reserves and surplus	-	-	-	-	-	-	-	-	-	22,523	22,523
Other outflows	956	568	2,356	2,074	1,903	4,376	8,438	8,986	5,883	6,443	41,983
Total outflows	956	678	2,603	6,693	6,106	9,254	19,792	48,735	26,586	46,807	168,210
D. Cumulative total outflows	956	1,634	4,237	10,930	17,036	26,290	46,082	94,817	121,403	168,210	
E. Gap (A - C)	457	26	39	47	20	811	140	(62)	2,066	(3,544)	
F. Cumulative gap (B - D)	457	483	522	569	589	1,400	1,540	1,478	3,544	-	
G. Cumulative gap (%) (F/D)	48%	30%	12%	5%	3%	5%	3%	2%	3%	0%	
H. Permissible cum. gap (%)	(10%)	(10%)	(20%)								

Financial Performance

Table 4 highlights the financial performance for FY2026 vis-à-vis FY2025 and Table 5 gives the key ratios.

Table 4: Financials

Particulars	(₹ in crore)		
	FY2026	FY2025	Change
Total income	11,151	9,554	17%
Interest and finance charges	6,760	5,979	13%
Net total income	4,391	3,575	23%
Total operating expenses	867	747	16%
Pre-impairment operating profit	3,524	2,828	25%
Impairment on financial instruments	191	58	229%
Profit before exceptional items and tax	3,333	2,770	20%
Exceptional items	13	-	
Profit before tax (PBT)	3,320	2,770	20%
Profit after tax (PAT)	2,560	2,163	18%
Other comprehensive income/ (expenses)	(19)	11	
Total comprehensive income	2,541	2,174	17%
Earnings per share (EPS) basic and diluted, in ₹	3.07	2.67	

Table 5: Key Ratios

Ratios	FY2026	FY2025
Net total income (NTI) to average loan receivable	3.9%	4.0%
Total operating expenses to Net total income (NTI)	19.7%	20.9%
Return on equity (ROE)	12.1%	13.4%
Capital to risk-weighted assets ratio (CRAR)	22.46%	28.24%
Tier I	22.01%	27.72%
Tier II	0.45%	0.52%
Gross NPA	0.27%	0.29%
Net NPA	0.11%	0.11%
Provisioning coverage ratio (PCR)	59.8%	60.3%
EPS - Basic (₹)	3.07	2.67
Diluted (₹)	3.07	2.67

Risk Management and Portfolio Quality

As a lending company, BHFL is exposed to various risks including credit, market, liquidity, interest rate, operational, reputational and technology risks. For effective management of these risks, the Company has robust risk management practices and governance frameworks to identify, assess and mitigate the potential impact arising from these underlying risks. It continues to invest in processes, talent and technologies to advance its risk management capabilities. The Company's strong risk management structure works through dedicated underwriting units, horizontal risk monitoring unit, risk containment unit, operational risk management unit and debt management structure.

The Board of Directors has constituted a Risk Management Committee (RMC) comprising directors and senior management personnel as members, for overseeing the risk management policies, practices, strategies, risk tolerance levels and controls and to evaluate the performance of key metrics under various identified risks.

Pursuant to the Reserve Bank of India (Housing Finance Companies) Direction 2025, HFC's are required to perform internal assessment of capital requirement corresponding to the risk associated with the business which is required to be carried out through the Internal Capital Adequacy Assessment Process (ICAAP). Accordingly, the Board-approved ICAAP policy and ICAAP document have been institutionalised. This covers

the principles for identifying and evaluating various risks and assessing the additional capital required to mitigate such risks. The Company has concluded its ICAAP assessment for FY2026 in line with the Board approved policy.



Credit Risk

BHFL operates under a comprehensive Board-approved credit policy, supported by a defined delegation matrix that outlines approval authorities separately for retail and commercial product underwriting. In addition, it has product-specific due diligence frameworks that guide segment-wise credit assessment, legal and technical scrutiny and documentation standards. These structured policies enable consistent evaluation of customer profiles while effectively identifying and mitigating inherent risks.

The Company's centralised / regional in-house credit appraisal teams ensure uniformity in decision-making, enhanced operational efficiency and faster approval turnaround time. The underwriting process is strengthened by digital tools and modern assessment enablers, including the Account Aggregator framework, which provides a more holistic and data-driven understanding of customer financial behaviour. These initiatives collectively support more accurate credit decisions, improved transparency and quicker processing.

In addition to underwriting, there are dedicated portfolio monitoring units for retail (prime), retail (non-prime) and commercial products. These units regularly review portfolio performance, conduct through-the-door monitoring, assess early warning signals to detect emerging concern areas and deviations from stated asset quality parameters through analytics and automated reports and, accordingly, recommend preventive and mitigation measures. The retail portfolio monitoring team monitors product wise key indicators, including portfolio health, bounce rates, repayment trend and gross NPA to quickly assess probable risks and implement mitigation measures along with policy improvement.

For commercial portfolio monitoring, dedicated units track the escrow mechanism for project cash flows and rentals; monitor various milestones linked to various stages of construction; sales and collection in construction finance along with leasing and vacancy trends in LRD portfolio. Additionally, the teams conduct periodic project visits to assess on-the-ground veracity of funded projects, which is then complemented by Management interaction. There is an annual review mechanism of these commercial transactions to understand the evolving changes as per current environment and, where needed, recommend preventive measures.

To prevent fraud and connivance risks between internal or external stakeholders, the Company has a separate risk containment unit which continuously monitors various system-based triggers and early warning signals emerging from exception reports to perform detailed examination of flagged cases prior to disbursement. These automated triggers are updated frequently to incorporate new learnings. Moreover, BHFL has enabled its employees and partners to report any suspicious transaction which then undergoes detailed review by the risk containment unit.

As the Company is expanding its presence in the near prime and affordable housing portfolio, it has started taking guarantee cover under 'Credit Risk Guarantee Fund Trust for Low Income Housing' governed by Ministry of Finance for its affordable housing portfolio. To an extent, this acts as an additional risk mitigant.

The Company's healthy asset quality and lower GNPA underscore the strong underwriting practices and robust portfolio monitoring – as reflected in the following indicators:

- As of 31 March 2026, GNPA improved by 2 bps on Y-o-Y basis and stood at 27 bps while net NPA stood at 11 bps. BHFL has one of the lowest GNPA among large players in the HFC industry.
- Loan losses and provision for FY2026 was ₹ 191 crore versus ₹ 58 crore for FY2025.
- The Company holds macro-overlay provision of ₹ 29 crore as on 31 March 2026.
- It has healthy provisioning coverage ratio at ~60% for stage-3 assets as of 31 March 2026.

Table 6: Stage wise assets

Particulars	(₹ in crore)			
	Exposure at Default (EAD)	Expected Credit Loss (ECL)	ECL / EAD (%)	EAD Mix (%)
Stage 1	1,23,692	401	0.32%	99.37%
Stage 2	453	132	29.11%	0.36%
Stage 3	330	197	59.77%	0.27%
Total	1,24,475	730	0.59%	100.00%

Table 7: Robust product wise asset quality

Particulars	(₹ in crore)			
	GNPA As at 31 March 2026	GNPA As at 31 March 2025	NNPA As at 31 March 2026	NNPA As at 31 March 2025
Home Loans	0.35%	0.34%	0.14%	0.13%
Loan Against Property	0.46%	0.65%	0.21%	0.31%
Lease Rental Discounting	-	-	-	-
Developer Finance	0.03%	0.05%	0.00%	0.00%
Others	1.11%	0.95%	0.19%	0.21%
Total	0.27%	0.29%	0.11%	0.11%

Market Risk

In line with the Board-approved policy, BHFL invests its surplus funds in various instruments that are subject to market risk. To mitigate such risk, BHFL's investments include treasury bills, central and state government securities, liquid funds and short-term deposits with banks, all of which are recognised liquid instruments best suited to maintain adequate liquidity and minimise market risk. The Company manages duration of these investments according to the interest rate environment to minimise the impact of price fluctuation in the fair value of such investments. The Investment Committee reviews the portfolio on a monthly basis. For market risk management, risk assessment of investments is done through modified duration and PV01 tools which is also reviewed each month by the Investment Committee.

Liquidity Risk

As per the RBI guidelines, BHFL has a Board-approved liquidity risk management framework and ALM policy to manage liquidity risk. The Asset Liability Committee (ALCO) reviews the structural liquidity and dynamic liquidity statements to ensure that there are no material gaps beyond regulatory and the Board-approved limits or excessive concentration in 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 152.52% vis-à-vis the regulatory requirement of 100%, as of 31 March 2026.

Interest Rate Risk

BHFL is exposed to interest rate risk on investments as well as loan assets and liabilities. It has a diversified borrowing mix, including term loans from banks, non-convertible debentures, commercial papers and NHB refinance, spanning across various interest benchmarks and maturity profiles, which exposes the Company to interest rate risk.

Interest rate fluctuations can arise from multiple internal factors such as maturity profile, product composition, mix between fixed and floating borrowings or external factors such as macroeconomic developments, regulatory impact, and competitive intensity. To assess interest rate sensitivity on assets and liabilities, BHFL uses Duration Gap Analysis, which is also reviewed by the ALCO on a monthly basis.

Operational Risk

The Company manages its operational risk based on its Board-approved Operational Risk Management (ORM) Policy. This is further elaborated in the section 'Operational Risk Management'.

Reputational Risk

The centralised service team continuously monitors customer requests and escalations on its CRM solution, social media and regulatory channels to provide end-to-end resolution for a seamless customer experience and to avoid reputational risk to the Company.

BHFL has also strengthened its digital reputation management framework through Online Reputation Management processes, enabling automated ticket creation and response mechanisms to track and manage brand mentions across digital platforms.

Technological Risk

BHFL mitigates technological risk through a three-tiered governance structure over its IT landscape consisting of the: (i) IT Strategy Committee, (ii) IT Steering Committee, and (iii) Information Security Committee.

It has well-defined policies and procedures for technological risk mitigation comprising Information Technology Policy, Information Security Policy, Cyber Security Policy, Cyber Crisis Management Plan, Business Continuity Policy and Information Security Standards and Procedures. These have been designed and aligned with several standards and regulations including directions from the NHB, the RBI, the IRDAI along with the ISO 27001:2022 standard.

The Company has implemented robust information security measures to address potential technology risks like cyber-attacks on IT infrastructure, data breaches, various forms of phishing and social engineering, malware, distributed denial of service (DDoS) attack, etc. To manage and mitigate cyber and information security risks, BHFL has following controls across multiple layers:

- Deployment of IT infrastructure on cloud provides high availability across multiple availability zones which is complemented by periodic DR drill the and backup restoration exercises to assess resilience capabilities.
- Web Application Firewall (WAF) is implemented across all public facing applications to safeguard against various attacks such as DDoS, SQL-injections etc. with additional protection to defend applications from attacks using BOT.
- Infrastructure components are hardened as per the published Centre for Internet Security (CIS) standard benchmarking.
- Endpoint network is secured using Zero Trust Network and Virtual Private Network (VPN) along with implementation of Network Access Control (NAC) for LAN and Wi-Fi to restrict external laptop connection to BHFL network.
- Managed Endpoint Detection and Response (MDR) on servers and endpoints helps to detect and prevent any malicious activity. For critical users, ransomware proof endpoint backup is implemented in addition to encryption of all laptops hard disks.
- Governance of all administrative access of infrastructure is through Privileged Access Management (PAM) solution along with Multi Factor Authentication (MFA) for critical applications and infrastructure login.
- 24x7 security operations centre (SOC) monitoring to monitor and respond to security events and all network devices monitoring by 24x7 Network Operations Centre (NOC).
- Cloud Security Posture Management (CSPM) Solutions is used for continuous monitoring of security posture of cloud infrastructure.
- Empanelled reputed Threat Intelligence and Digital Footprint monitoring platforms continuously monitor the Company's external presence. Proactive mitigation steps are implemented as per advisories received from CERT-IN for threat intelligence feed.
- Information security, cyber security and phishing awareness trainings are imparted along with internal phishing simulation activities to identify red flags and regular awareness emails/SMS to employees/customers.
- The Company has a comprehensive Cyber Insurance coverage as a component of its risk-mitigation strategy.

Debt Management

In line with the strategic construct of low-risk balance sheet, the Company has a structured and robust debt management framework which is an integral part of portfolio management strategy. This framework enables improved collection efficiency, lower delinquency rates and better asset quality through a dedicated in-house debt management team.

To enhance convenience and faster processing, it provides multiple digital payment options to customers including NEFT, RTGS, UPI, etc. for loan instalments. The Company continues to focus on non-intrusive methods for its debt management through digital reminders and a 'soft' debt management approach. This starts with customer awareness through multiple digital reminders for upcoming instalments before the monthly due date which enables customers to maintain sufficient account balance and avoid unintentional defaults impacting their credit history. This approach is further complemented by a touch-free debt management unit which connects with overdue customers and enables them to resolve their overdue payments.

BHFL follows a three-tier debt management structure for improved efficiency, sharper focus on delinquent account resolution and an appropriate debt management approach based on the stage of the customer: (i) current month outstanding team, (ii) early delinquent customer team and (iii) NPA and write-off customer segment team. Based on the customer repayment behaviour and cohort analysis, a centralised team allocates overdue customers to the most suitable channel based on resolution efficiency between touch-free debt management unit and field teams. With introduction of debt management for the initial 12 months sourcing through the sales team, a dedicated debt management team focuses on stressed customers for resolution of early delinquent and NPA customers while supporting field business teams for any stressed case in the initial 12-month sourcing.

During engagement with customers either through touch free or through field, the Company focuses on adherence to internal as well as regulatory guidelines, code of conduct and fair practice code for seamless customer experience. This debt management framework is also supported by a dedicated legal framework enabling faster resolution of delinquent and NPA customers through customised legal notices, repossession notices, arbitration notices, enforcement action under the SARFAESI mechanism along with auctioning of repossessed properties.

For debt management of its commercial portfolio, the Company follows relationship-driven model for sourcing as well as debt management to maintain consistency and single point of contact for the customers.

Digitalisation

BHFL continues to focus on digital initiatives to enhance operational efficiency, strengthen process governance and provide seamless and transparent customer experience. Through continuing investments in digital infrastructure, platform enhancements and intelligent automation, BHFL remains committed to strengthen its digital ecosystem while delivering a more responsive and customer-focused experience. The Company undertook various initiatives to simplify customer journeys, streamline core business processes, enhance accessibility across platforms and improve service responsiveness through technology-led solutions. Some of these are given below.

Digital Onboarding Interface

As part of its ongoing journey, BHFL initiated a phased revamp of its digital platforms, including the customer portal, mobile application and website. These were aimed at creating a more unified and intuitive experience across assets, enabling customers to access services and information through a consistent interface, irrespective of the platform used. The customer onboarding journey was further strengthened through mobile-first, system-driven enhancements that enabled initiation of branch-independent applications and high frontline field team mobility. Integration of digital authentication and verification capabilities, including CKYC, Account Aggregator-based banking validation, and automated ITR and GST analysis, contributed to improvements in First Time Right (FTR) outcomes while also reinforcing compliance and process integrity at the application stage.

Digital Onboarding for Corporate Customers

Similar to the digital onboarding journey for retail customers, the capability has been expanded for corporate customers through the introduction of corporate application login and end-to-end digital execution. This is enabled through e-signing, thereby facilitating a seamless and paperless onboarding experience. In addition, multiple sales and post-login functionalities were introduced within the Customer Onboarding Journey (COB) platform to simplify downstream processes such as legal initiation, collateral creation and co-applicant updates.

AI Driven Initiatives

During FY2026, the Company advanced its digital transformation agenda by deploying a suite of AI-driven solutions designed to enhance efficiency, elevate customer experience, and unlock new business value. Key initiatives include:

- GenAI-powered Q&A bots deployed for service teams and employees, accelerating access to information, improving responsiveness, and driving measurable productivity gains.
- Customer portal AI chatbot on the service portal, delivering instant guidance and reducing resolution times, thereby improving customer satisfaction.
- AI-based data extraction platform capable of reading and processing information from images and PDFs, enabling automation across multiple business workflows and reducing manual effort.
- Text-based conversational AI solutions integrated across SMS, WhatsApp, and RCS channels, strengthening customer engagement and ensuring seamless multi-channel communication.
- Voice-based conversational AI solutions replicating human-like interactions in multiple languages, broadening accessibility and enhancing service quality for diverse customer segments.

Mid- and Back-Office Digital Initiatives

Digital execution of memorandum of entry (MOE) through NESL has been expanded to six states enhancing paperless execution as well as process standardisation. Adoption of the 1600 and 140 series in alignment with the RBI and TRAI guidelines has strengthened customer service efficiency and regulatory adherence.

Overall, these initiatives underscore the Company's continued focus on leveraging digital technologies to build scalable and customer-centric operations, while improving efficiency, compliance and long-term business resilience.

Digital

Across the Ecosystem

Customer Entry Points

- Self-sourcing
- Digital ecosystem
- Intermediaries
- Developer sites
- Digital partners



Simplified Onboarding Experience

- Digital Customer Onboarding Journey
- Partner Portal
- Sales Mobility App



Faster Approval & Analysis

- Auto CAM with AA integration



Smoother Debt Management

- Debt Management App
- Multiple Payment Options



Anytime, Anywhere Self-service

- Customer App
- Customer Portal



Digital and Paperless Process

- e-Sanction Letter
- e-Agreement
- e-Insurance Form
- e-Mandate



Underwriting and Operations

Underwriting

BHFL's robust asset quality underscores strong underwriting practices and distinct underwriting frameworks. It has dedicated underwriting structures for retail (prime), retail (non-prime) and commercial customers. It follows a centralised, hub-based underwriting model to ensure faster decision-making and uniform credit assessment. This model operates through centralised hubs in retail prime segment, supported by advanced technology-led tools, including AI, Machine Learning (ML) and Business Rule Engines (BRE). These capabilities strengthen credit assessment and improve turnaround time. The model operates through regional hubs for non-prime customers.

The Company has distinct underwriting frameworks for salaried and self-employed customers, tailored to the unique characteristics of each segment. Through its sharply defined customer segmentation, it effectively categorises applications, optimises resource allocation and maintains a consistent approval turnaround time. The underwriting process also includes telephonic and video-based personal discussions complemented by physical business verification for self-employed customers.

Collateral

The Company has in-house collateral evaluation teams, responsible for both legal and technical assessments, which are also supported by external vendors. These in-house collateral teams are stationed across the hubs to ensure quality, accuracy, and timely processing of property-related validations along with technical team presence in micro markets. In addition to this, there are hindsight reviews by a central team on credit and collateral decisions before disbursement.

Commercial Underwriting

BHFL has a dedicated team with hybrid mix of field due diligence and centralised approval – with subject matter experts based in operating locations who recommend transactions for final decisioning/approval to the centralised team. This field team initially evaluates the transaction structure, customer profiling, cash flow assessment, funding schedule followed by a detailed credit appraisal memo comprising overall assessment of operational performance, financial strength, repayment capability, micro market and peer project assessment. This memo is recommended to the centralised team for final decision-making.

The underwriting team has distinct framework for developer financing and lease rental discounting. For developer financing, the developer's operational strength, historical track record of projects, financial performance, repayment capability, project approvals, micro-market and peer project assessment etc. are some of the parameters that are evaluated across three critical elements: developer, project and sanction milestone assessment. For LRD, the three critical underwriting elements span across lessor, lessee and collateral assessment and includes (i) business model, financial strength, repayment capacity assessment of lessor; (ii) financial performance, contractual lease duration, residual tenure, rental payment trend of lessee; and (iii) micro-market assessment, occupancy rates, historical vacancy and releasability of collateral.

Operations

As BHFL focuses on a leaner mid and back-office to increase efficiency, maintain process consistency and enhanced controllership, it operates at the regional hubs for loan processing of retail customers for KYC and loan related validations prior to disbursement. The Company has significantly reduced its manual intervention in back-end processes through implementation of digital onboarding journey, e-sanction letter, e-mandate, e-agreement, etc. which enhance customer experience while improving the turnaround time. For commercial products, the Company has centralised operations for both developer financing and LRD for loan booking, disbursement and escrow related validations.

Customer Service

Customer service and engagement across the loan lifecycle remains a priority and customer service function is focused on delivering an efficient and seamless resolution to strengthen customer trust, brand recall and loyalty.

The Company's initiatives reflect a decisive shift towards a customer-first service model driven by automation, efficiency, and scalability. Recognising the growing preference for digital and non-intrusive communication, BHFL has strengthened its self-service ecosystem through its customer portal and mobile app thereby enabling the customer to seamlessly raise service requests, download loan documents, access flexible repayment

options (part pre-payments, tenure adjustments, missed instalment payments via ECMS, UPI, and Bill Desk), and utilise a self-service query module.

Enhancements to these platforms include an expanded digital service interface, a self-service video repository, and the launch of an in-house interactive chatbot (ServEase) enabling instant query resolution within digital platforms. The Company has enabled its customers with multiple channels including the portal, app, IVR and e-mail to raise requests and complaints.

To enhance transparency and customer confidence and in alignment with the RBI regulations, outbound service calls now display authenticated caller identification. Process improvements such as digitised charge registration through NESL-based MOE filing across six states, document consolidation to reduce OTP dependencies, and automated trigger flows have further reduced turnaround time and improved customer convenience. Additionally, the Company focuses on enhancing customer transparency and adherence of FPC through breakdown of relevant loan information in a Key Fact Statement (KFS) cum e-agreement.

BHFL has a robust grievance redressal framework with a structured escalation matrix and pre-defined turnaround timelines. Leveraging ML-based sentiment analysis and advanced analytics, it prioritises and categorises customer queries for faster and personalised resolution. Straight-through processing capabilities and data-driven insights enhance efficiency while enabling proactive engagement, portfolio segmentation, and tailored resolutions to strengthen long-term relationships.

Service quality is monitored through structured feedback mechanisms, root cause analysis of complaints, and active observation of social media and digital platforms. These allow the Company to promptly address concerns and implement corrective actions while simultaneously incorporating learnings from previous engagements on a recurring basis.

Operational Risk Management

Operational risk refers to the risk of loss resulting from inadequate or failed internal processes, systems, human factors or from external events. It includes legal risk but excludes strategic and reputational risk.

Operational risk is inherent across BHFL's business and functions. The Company has instituted a Board-approved Operational Risk Management (ORM) framework that sets out the governance structure, policies and processes for identifying, assessing, monitoring and mitigating operational risks. It is designed to ensure a structured approach to managing operational risks across the organisation.

At Management level, Operational Risk Management Committee (ORMC) which is a sub-committee of the Risk Management Committee (RMC), oversees implementation of the operational risk framework.

The ORM framework enables systematic identification, assessment, measurement, monitoring, mitigation and reporting of operational risks. This is attained through determining key process areas, converting these areas to measurable and quantifiable metrics (KRIs), setting thresholds for defined KRIs, monitoring and reporting on breaches of those threshold levels. Accordingly, corrective actions are initiated to bring back any breaches within acceptable thresholds by conducting root cause analysis to identify failure of underlying process, people, systems or external events,

BHFL has 'three lines of defence model' as a key component to manage operational risks. These are:

First line of defence: Business and functional units play a critical part in managing operational risk on a daily basis. BHFL has opted for a bottoms-up approach for risk identification across businesses and functions to drive ownership and a strong control culture to minimise operational risk. The units also monitor adherence to policies and processes laid down by the organisation.

Second line of defence: The operational risk management department (ORMD), risk department and compliance department forms second line of defence, which supports the first line of defence.

The ORMD implements operational risk management framework across the Company. It designs and develops tools required for implementation of the framework including appropriate guidelines.

Risk unit: It focuses on credit policy adherence in the portfolio which ensures that disbursed loans adhere to the policies and procedures put in place. Frauds, if any, are investigated to identify the root cause and relevant corrective actions are recommended to prevent recurrence.

Compliance unit: Recognising the critical importance of regulatory compliance, BHFL has instituted a robust compliance framework. It oversees the Company's overall compliance universe, with specific focus on regulations issued by the RBI, the NHB, the IRDAI and the Financial Intelligence Unit-India (FIU-IND). The

Company Secretary and Compliance Officer are responsible for compliance under the Companies Act, the SEBI regulations and other capital market-related legislations/rules. Both officers are supported by dedicated teams that actively monitor and manage statutory and regulatory obligations, ensuring adherence to applicable laws through systematic reviews and continuous monitoring. To further strengthen its compliance infrastructure and minimise risk of oversight, the Company implemented an across-the-board compliance management tool.

Third line of defence: Internal audit is the third line of defence, which independently evaluates the effectiveness of the ORM framework and provides assurance to the Board and senior management.

In addition to three lines of defence, BHFL also faces legal risks primarily associated with lending against collateral, where inadequate legal diligence can lead to potential litigation costs. These risks arise from omissions, negligence, fraud or misconduct during legal and documentation processes. To mitigate such risks, the Company's experienced legal and technical professionals ensure strict adherence to legal protocols, including comprehensive title verification and thorough scrutiny of all loan-related documentation. Robust operational procedures and customer service standards further strengthen compliance, reduce legal exposure and minimise customer complaints.

Human Resources

BHFL focuses on nurturing its workforce to build an entrepreneurial mindset and high standards of execution to deliver consistent performance. This year marked a shift for BHFL as it further sharpened its focus on building organisational strength for which it emphasises enhancing capability and strengthening governance.

The Company's initiatives throughout the year were guided by three priorities: scaling with discipline, deepening people capability, and reinforcing a culture grounded in integrity and performance. Collectively, these efforts are designed to set the foundation for a future-ready organisation equipped to meet customer demands of a dynamic and fast-growing business landscape.

Attract and nurture talent for long term growth

By having critical leadership and frontline talent through more precise and assessment-driven approach, the Company continued its commitment to build a future-ready workforce driven by capability and purpose. BHFL continues to focus on evaluating candidate attitude and behavioural fit. To further improve hiring predictability and ensure stronger customer-facing performance, it deployed structured assessment frameworks designed to bring the right talent into critical roles.

The Company continued to have a dedicated employee engagement and retention framework which enabled targeted development and retention interventions for high-potential employees.

Employee engagement

Periodic townhalls are conducted to communicate the Company's performance, crucial updates, strategic priorities and address employee queries by senior leaders. It has also strengthened its internal Voice of Customer mechanism to enhance responsiveness of functions to the frontline teams.

Employee assistance and well-being

BHFL follows a comprehensive approach towards the employee's financial, medical and emotional support through various initiatives like medical and life cover through group insurance policies along with an option of covering their spouses and dependents, curated programme of financial aid to employees and their families during emergencies through its I-Care fund and flexible salary option through money-on-call facility.

Structured learning and development

The Company has structured training initiatives to enable both existing as well as new employees to understand the cultural anchors, policies and procedures for their on-the-job nuances while developing essential managerial skills. It has multiple training programs comprising Managerial Excellence Program (MEP) and Leadership Excellence Program (LEP) for frontline managers and leaders, STEPS training program for new employees to have seamless onboarding experience, as well as dedicated managerial training programs for functional employees. In addition, the Company has a dedicated learning platform for upskilling programs and mandatory learning courses for existing employees.

Diversity, equity and inclusion

The Company has dedicated DEI Spectrum policy to foster the culture of diversity, equity, and inclusion across the organisation along with structured program to enable women leaders to build resilience, leadership acumen and succeed in dynamic work environment.

Reward and recognition

BHFL continues to promote the culture of consistent performance and recognise exemplary contributions through dedicated reward and recognition programs across businesses and functions where exceptional performances are rewarded – thus encouraging the culture of excellence across the organisation.

Awards

BHFL was conferred with the following awards during the year:

- 'Best Housing Finance Company' for FY2025 at Business Today India's Best Banks Awards in February 2026.
- 'Best Data Quality Award' for 2024-25 under housing finance company consumer segment by TransUnion CIBIL.

Impact beyond business

BHFL continued to drive meaningful impact across sustainability, community development and workplace safety. This has been done through initiatives such as plantation drives, teaching and engaging with differently abled children, donation drive through 'Daan Utsav' and active participation in blood donation camps.

The Company also received ISO 14001:2015 and ISO 45001:2018 certification which represents a significant milestone in its ongoing commitment to operational excellence, environmental stewardship, and in ensuring a safe and healthy workplace for all our stakeholders.

As on 31 March 2026, BHFL had 2,052 permanent employees.

Internal Control Systems and their Adequacy

The Company has institutionalised strong internal control system based upon established policies and procedures across its businesses and functions to identify potential risks, assess impact and mitigate these risks. Business and functional units have established controls and processes for smooth functioning of their operations, identify and mitigate probable risks which are further complemented by senior management's regular review of these measures.

To strengthen governance and oversight, the Company has multiple committees for review and oversight of key operational aspects comprising the Risk Management Committee (RMC) and the Asset Liability Committee (ALCO) having representation from business as well as functional stakeholders. Within this framework, it has three lines of defence:

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

Internal Operations Management

The Company has established internal control framework to ensure reliability and accuracy of financial reporting and efficient conduct of its operations, where dedicated functions are responsible for periodic evaluation of the design and operating effectiveness of Internal Control over Financial Reporting (ICOFR), including process walkthroughs and review of documented controls. These assessments are conducted at regular intervals to identify any control deficiency which, if found, is promptly addressed through structured and time-bound corrective measures. In addition, the Company places strong emphasis on monitoring of Information and Technology General Controls (ITGC); and this assessment is carried out at periodic intervals to ensure security and continuity of internal controls across systems.

The Company has instituted specialised units within IT and operation functions tasked with conducting regular checks to ensure adherence with established processes and policies, proactively identifying gaps and implementing corrective actions to strengthen operational resilience. It also has a concurrent audit team to review operational processes, identify and mitigate operational risks across credit, collateral and operations along with a dedicated transaction monitoring unit to conduct through-the-door monitoring prior to disbursement.

BHFL conducts Cyber Security Maturity Assessment to improve its processes and technology implementation. It also conducts a Security Architecture Review to detect any configuration gap in security technologies implemented in the Company, and to take appropriate measures. BHFL's systems, products and practices affecting user data go through extensive audit assessment by external experts wherever applicable, regulatory audit as per IRDAI guidelines and ISO 27001 surveillance audit from the certification body.

Risk and Compliance Functions

Compliance forms an integral part of BHFL's governance and internal control framework, and the Company's compliance philosophy is based on the strict adherence to applicable laws, regulations, internal policies and customer transparency – emphasising that sustained stakeholder trust is built on accountable, transparent and responsible conduct.

To strengthen this commitment, the Company has a dedicated compliance unit which works in close coordination with business and functional units while maintaining independent and objective assessment of compliance risks, providing guidance and overseeing timely implementation of regulatory changes to embed a strong compliance culture across the organisation.

The Company's risk management and operational risk management have been covered under earlier sections.

Internal Audit Function

The Company's internal audit function periodically reviews adherence to regulatory requirements and internal policies across businesses and functions to strengthen operational discipline and governance standards. In line with the RBI's guidelines, BHFL has implemented a Risk-based Internal Audit (RBIA) framework aligned to the overall risk management framework and provides independent assurance to the Board of Directors and senior management on the effectiveness of the Company's internal controls, risk management and governance practices.

The Board-level Audit Committee oversees the performance of internal audit function and reviews the adequacy and effectiveness of the Company's internal controls by evaluating significant audit observations, Management responses and periodic follow up actions to ensure timely remediation and strengthening of internal control framework.

Investor Engagement and Communication

BHFL has a structured investor outreach programme aimed at facilitating transparent communication on the Company's performance, address investor queries and serves as an effective feedback mechanism. It ensures timely and consistent communication through press releases, investor presentations and financial results along with regular engagement with investors and research analysts through earnings calls, meetings and conferences.

Strengths, Risks and Opportunities Assessment

Strengths

- **Sustainable business model:** BHFL's strategic construct has a blend of scale, low risk and reasonable return to enable the Company to become one of the largest mortgage originator.
- **Full mortgage product suite:** Diversified product portfolio with all mortgage products offerings to cater to various transaction needs of all relevant customer segments.
- **Strong brand** complemented by consistent financial performance over the years.
- **Highest possible credit rating:** Long term debt programme credit rating of AAA/ stable by CRISIL and India Ratings enable availability of multiple borrowings sources at better cost of funds.
- **Robust asset quality:** Strong risk management and debt management framework supporting asset quality reflecting from one of the lowest GNPA amongst large HFCs.

- **Tech enabler orientation:** Enhances customer experience and transparency through multiple digital initiatives and seamless customer journey.

Risks

- **Adverse macroeconomic conditions:** Adverse geopolitical scenario and economic indicators impact on borrowing cost and liquidity.
- **Margin moderation:** Margin impact due to reduction in portfolio yield and increase in cost of funds resulting from adverse interest rate scenario.
- **Portfolio attrition:** Portfolio susceptible to higher attrition resulting from prolonged continuation of downward interest rate cycle and competitive intensity.
- **Regulatory changes** impacting transitional impact.
- **Adverse real estate market:** Increase in inventories or vacancy levels or sharp decline in property prices impacting credit offtake as well as delinquency.

Opportunities

- **Market share gain:** The Company's existing market share in housing loans portfolio provides significant headroom for growth amidst improving housing loans to GDP ratio of the country.
- **Scaling newly launched products:** Investment in Sambhav, the near prime and affordable housing SBU, expanding customer segment and providing cushion for yield enhancement.
- **Leveraging developer financing projects:** Improvement in higher retail home loan penetration from developer financing funded relationships.
- **Improving operating leverage:** Continuous productivity enhancement and leveraging technology to support improvement in opex to NTI.

Fulfilment of the RBI and NHB's norms and standards

BHFL adheres to the prescribed norms and regulations for housing finance companies by the RBI and NHB along with the Upper Layer NBFC norms under the Scale Based Regulations. To comply with various regulatory thresholds as detailed in table below, the Company has implemented required processes and policies along with tracking mechanism.

Table 8: Regulatory ratios versus the minimum requirements stipulated by the RBI

Particulars	As on 31 March 2026	RBI Stipulation
Capital to Risk-weighted Assets Ratio (CRAR):	22.46%	15.00%
Of which Tier-I	22.01%	10.00%
Principal Business Criteria:		
Overall PBC	60.88%	60.00%
IHL PBC	50.45%	50.00%
Liquidity Coverage Ratio	152.52%	100%
Asset liability mismatch:		
1-7 days	48%	(10%)
8-14 days	30%	(10%)
15-30/31 days	12%	(20%)

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.



HOME LOAN DESIGNED FOR YOU

- ✓ Tailored solutions for salaried and self-employed customers
- ✓ Financing options for under-construction and resale properties
- ✓ Flexible structures aligned to diverse housing needs



DEVELOPER FINANCE - SUPPORTING PROJECT GROWTH

- ✓ Construction finance for residential and commercial projects
- ✓ Milestone-linked disbursement aligned to project progress
- ✓ Enables funding across development stages with structured oversight

LOAN AGAINST PROPERTY - FLEXIBLE FUNDING SOLUTIONS

- ✓ Financing against residential and commercial properties
- ✓ Supports business expansion, debt consolidation, and other financial needs
- ✓ Flexible solutions tailored to diverse customer profiles



LEASE RENTAL DISCOUNTING - SCALABLE SOLUTIONS

- ✓ Financing backed by rental income from commercial assets
- ✓ Coverage across office spaces, IT parks, warehouses, and industrial properties
- ✓ Focus on stable cash flows and long-term asset-backed growth



Directors' Report



Company Overview & Financial Results



Borrowings



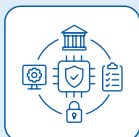
Risk Management approach and framework



Fraud Monitoring and Prevention



Performance Evaluation of Board and Committees



Information Technology Governance



Statutory and other Disclosures

Dear Shareholders,

Your directors present the 18th Annual Report along with the financial statements for Financial Year 2025-26 (or 'FY2026').

Company Overview

Bajaj Housing Finance Limited ('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 July 2017. 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; (iii) lease rental discounting; (iv) developer financing and (v) others, covering non-collateralized loans. The financial products offered by the Company caters 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 by the Reserve Bank of India ('RBI'). The Company's equity shares got listed on National Stock Exchange of India Limited ('NSE') and BSE Limited ('BSE') on 16 September 2024.

Financial results

The key highlights of the financial results for FY2026 are given below:

Particulars	(₹ in crore)		
	FY2026	FY2025	% change over FY2025
Total income	11,151	9,554	17%
Finance Cost	6,760	5,979	13%
Net total income	4,391	3,575	23%
Total operating expenses	867	747	16%
Pre-provisioning operating profit	3,524	2,828	25%
Impairment on financial instruments	191	58	229%
Profit before exceptional items and tax	3,333	2,770	20%
Exceptional items	13	-	
Profit before tax (PBT)	3,320	2,770	20%
Profit after tax (PAT)	2,560	2,163	18%
Retained earnings as at the beginning of the year	5,448	3,719	46%
Profit after tax	2,560	2,163	18%
Other comprehensive income		(1)	(101)%
Retained earnings before appropriations	8,009	5,881	36%
Appropriations			
Transfer to reserve fund u/s 29C of the NHB Act, 1987	512	433	18%
Retained earnings as at the end of the year	7,496	5,448	38%

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 2026 was ₹ 1,40,706 crore as compared to ₹ 1,14,684 crore as on 31 March 2025, representing an increase of 23% over the previous year.
- Loan receivables as on 31 March 2026 was ₹ 1,23,745 crore as compared to ₹ 99,513 crore as on 31 March 2025, an increase of 24% over the previous year.
- Total income during FY2026 increased to ₹ 11,151 crore from ₹ 9,554 crore during FY2025 registering a growth of 17% over the previous year.
- Operating cost to net total income in FY2026 decreased by 120 basis points to 19.7% from 20.9% in FY2025.
- Impairment on financial instruments was ₹ 191 crore. The Company holds macro-economic overlay of ₹ 29 crore as at 31 March 2026.
- The Company ended FY2026 with a Gross NPA of 0.27% and Net NPA of 0.11% as against 0.29% and 0.11% for FY2025.
- Profit before tax for FY2026 was ₹ 3,320 crore as against ₹ 2,770 crore for FY2025, an increase of 20% 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 FY2026 was ₹ 2,560 crore as compared to ₹ 2,163 crore for FY2025, an increase of 18% over the previous year.

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 its net profit every year to reserve fund before declaration of any dividend. Accordingly, the Company has transferred a sum of ₹ 512.07 crore to reserve fund, being 20% of its net profit.

Pursuant to Section 71 of Companies Act, 2013 (the 'Act') read with Rule 18 of the Companies (share capital and debentures) Rules, 2014, 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.

Minimum Public Shareholding

- The promoter of the Company i.e., Bajaj Finance Limited on 2 December 2025 sold 16.66 crore equity shares of the Company representing ~2% of its equity share capital through open market mechanism by executing a bulk deal in a secondary market, which is one of the methods provided under the SEBI Master Circular for achieving Minimum Public Shareholding. Accordingly, the promoter holding stand reduced from 88.70% to 86.70%.
- SEBI vide Securities Contracts (Regulation) Amendment Rules, 2026 dated 13 March 2026 has extended the timeline for complying with the Minimum Public Shareholding by revising the market capitalization thresholds at the offer price. The Company has now an additional timeline of 2 years for complying with the Minimum Public Shareholding i.e., till 15 September 2029.

Share capital

During FY2026, the Company issued and allotted 41,87,918 equity shares of the 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.

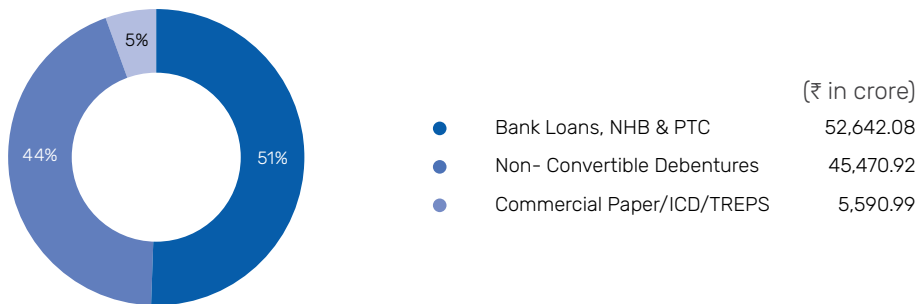
Pursuant to the aforesaid allotment of equity shares, the issued, subscribed and paid-up capital of the Company stands increased to ₹ 8,332.33 crore (833,23,34,619 Equity shares of ₹ 10/- each).

During FY2026, the Company has not issued any convertible securities and there are no outstanding convertible securities as on 31 March 2026.

Borrowings

The shareholders have approved an overall borrowing limit of ₹ 1,50,000 crore. The outstanding borrowings as on 31 March 2026 were ₹ 1,03,703.99 crore as compared to ₹ 82,071.92 crore as on 31 March 2025.

During FY2026, the Company raised fresh borrowings aggregating to a face value of ₹ 49,767.24 crore (excluding CC/WCDL/TREPS) from various sources, including refinance from the National Housing Bank ('NHB'). The composition of the overall borrowings as on 31 March 2026 is set out below:



As per the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, as amended from time to time, the Company is required to maintain a minimum Liquidity Coverage Ratio ('LCR') of 100%. The Company's average daily LCR during Q4 stood at 146.10%, and the LCR as on 31 March 2026 was 152.52%.

Dividend

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') and in accordance with the RBI guidelines, the Company has in place 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.

Further, during FY2026, the Company revised its Dividend Distribution Policy to incorporate a clause providing for the exclusion of any exceptional or extraordinary income, as well as any portion of net profit affected by statutory auditors' qualifications, while computing the dividend payout ratio.

The aforesaid policy is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Dividend-Distribution-Policy.pdf>.

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 to build a strong base for long-term sustainable growth.

Annual Return

The Annual Return as provided under Section 92(3) of the Act, in the prescribed form is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/annual-reports>.

Number of Meetings of the Board

Six (6) meetings of the Board were held during FY2026. Details of the meetings and attendance thereat forms part of the Report on Corporate Governance. The gap between two consecutive meetings was less than one hundred and twenty days.

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.

In the opinion of the Board, the Independent Directors fulfil the conditions specified in the Act read with rules made thereunder and have complied with the code for Independent Directors prescribed in Schedule IV to the Act.

Meeting of Independent Directors

Pursuant to Act and SEBI Listing Regulations, the Independent Directors must hold at least one meeting in a financial year without attendance of Non-Independent Directors and members of the Management. Accordingly, Independent Directors of the Company met on 17 March 2026 and:

- noted the report of performance evaluation of the Board and Committees for the year 2025-26;
- 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 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.

Suggestions of the Independent Directors were noted by the Board.

In addition, the Independent Directors have a separate meeting with the Senior Management Team ('SMTs'), during which, the SMTs are encouraged to express their views and concerns pertaining to the business. Suggestions from the directors were noted by the Management.

Directors and Key Managerial Personnel ('KMP')

A. Change in Directors:

i. Re-appointment of Anami N Roy (DIN: 01361110)

The Members vide special resolutions passed through postal ballot on 7 May 2025, approved the continuation of Anami N Roy as an Independent Director beyond the age of 75 years for his first tenure. They have also approved his re-appointment as an Independent Director for a second term of three consecutive years, commencing from 19 May 2025. The Board is of the opinion that Anami N Roy is a person of integrity, expertise, and competent experience and proficiency to serve the Company as an Independent Director.

ii. Appointment of Ajay Kumar Choudhary (DIN: 09498080)

On recommendation of the Nomination and Remuneration Committee ('NRC'), the Board has appointed Ajay Kumar Choudhary as a Non-Executive Independent Director of the Company for a term of five consecutive years effective 1 March 2026. Members through special resolution passed by postal ballot on 11 April 2026, approved the appointment of Ajay Kumar Choudhary as a Non-Executive Independent Director for a term of five consecutive years effective 1 March 2026.

The Board is of the opinion that Ajay Kumar Choudhary 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, Ajay Kumar Choudhary is exempted from completion of online proficiency self-assessment test.

B. Directors liable for rotation:

Rajeev Jain, (DIN: 01550158) retires by rotation at the ensuing Annual General Meeting ('AGM'), and being eligible, offers himself for re-appointment.

Brief details of Rajeev Jain are given in the Notice of 18th AGM.

C. Key Managerial Personnel (KMP):

During FY2026, there was no change in the KMP.

Remuneration Policies**A. 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 is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Remuneration-Policy.pdf>.

During FY2026, there were no pecuniary relationship/transactions of any of the Non-Executive Directors with the Company apart from sitting fees and commission, payable to them as directors.

Hitherto, the Company has not paid any commission and sitting fees to its Independent Directors for attending separate meeting of Independent Directors. Considering the value addition from these meetings to Management and the Board as a whole, the Board has approved the payment of sitting fees of ₹ 1,00,000 and commission of ₹ 2,00,000 per meeting, for separate meetings of Independent Directors.

B. Policy for Compensation of Key Managerial Personnel ('KMP') and Senior Management Team ('SMT') pursuant to the RBI Guidelines

Pursuant to Reserve Bank of India (Non-Banking Financial Companies - Governance) Directions dated 28 November 2025, issued in supersession of RBI guidelines on Compensation of Key Managerial Personnel and Senior Management in NBFCs dated 29 April 2022, the Company has in place 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 aforesaid policy is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Remuneration-Policy-RBI.pdf>.

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.

Related Party Transactions

All contracts/arrangement/transactions entered by the Company during FY2026 with related parties were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. Approval of the Audit Committee was obtained for all related party transactions entered during FY2026 as per SEBI Listing Regulations. 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 FY2026, to affirm that the transactions were entered into on an arm's length basis. The said firm, based on its review performed every quarter, has concluded that the aforementioned transactions were entered into on an arm's length basis.

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.

Approval of shareholders was obtained at the last AGM held on 23 July 2025 for transactions with Bajaj Finance Limited (Holding Company) for an aggregate amount of ₹ 12,612 crore for the period from the date of 17th AGM up to the date of 18th AGM of the Company.

A transaction with a related party is considered material, if the transaction(s) to be entered into individually or taken together with previous transactions during a financial year, exceeds the thresholds as per Regulation 23(1) of SEBI Listing Regulations, 2015. With effect from 19 December 2025, SEBI has revised the criteria for determination of material related party transactions. Accordingly, a transaction with a related party shall be considered material if the transaction(s), individually or taken together with previous transactions during a financial year, exceeds the thresholds specified in Schedule XII of the said Regulations.

Details of transactions with related parties during FY2026 are provided in the notes to the financial statements. Also, details of transactions with related parties during FY2026 as reported to the stock exchanges in the prescribed format is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/financial-information>.

Accordingly, the Company proposes to seek approval of the shareholders at the upcoming AGM for material related party transaction with Bajaj Finance Limited, as under:

Material Related Party Transactions with Bajaj Finance Limited

Particulars	(₹ in crore)
	Amount
Transfer/sale of loans or loan pools by way of assignment and servicing arrangements	12,550
Availing of loans or advances, credit facilities, or any other form of fund-based facilities	2,500
Down-sell/Consortium Lending/Novation of Loans	3,039
Charges for inter-company services rendered between the Company and BFL	42
Sourcing of products by the Company and BFL	21
Total	18,152

Further details are provided in the Notice of the 18th AGM.

There were no contracts or arrangements entered under Section 188(1) of the Act. Accordingly, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company for FY2026 and hence, does not form part of this Report.

Material Changes and Commitments

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

Conservation of Energy

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

- Energy-efficient LED lights are installed across all offices;
- 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.

Technology Absorption

The Company leverages technology across its acquisition and servicing lifecycle. It hosted its enterprise IT ecosystem on cloud, enabling a flexible architecture for business applications, data warehousing, and analytics. This cloud-native foundation supports improved performance, scalability, cost efficiency, and security. The Company has also enhanced its web-based application stack to ensure compatibility across devices, enabling mobility, and has implemented API gateways to facilitate seamless integration.

The Company continues to adopt Artificial Intelligence ('AI') to strengthen customer service and other areas with potential of significant impact. BHFL is further reinforcing its information security posture through expanded attack-surface monitoring, process refinement, and proactive remediation of identified gaps. Security solutions and controls—including VAPT, cloud architecture reviews, managed endpoint detection & response ('MDR'), and PII data masking—have been implemented to enhance security and strengthen customer data protection. The Company has also improved productivity in business operations and customer service by leveraging robotic process automation ('RPA') and AI along with machine learning ('ML').

Foreign Exchange Earnings and Outgo

During FY2026, 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 ₹ 0.31 crore.

Composition of Committees

The details of all the Board Committees including composition, attendance, terms of reference, etc, are provided under Report on Corporate Governance. Pursuant to Section 177 and Section 135 of Companies Act, 2013, the composition of Audit Committee and Corporate Social Responsibility committee are provided hereunder:

Audit Committee

The composition as on 31 March 2026, comprises of Anami N Roy (Chairman) (DIN: 01361110), Dr. Arindam Bhattacharya (DIN: 01570746), Jasmine Chaney (DIN: 07082359), S M N Swamy (DIN: 10367727) and Rajeev Jain (DIN: 01550158).

Further details on Audit Committee, brief terms of reference and attendance record of members are given in the Report on Corporate Governance.

During FY2026, all recommendations of the Audit Committee were accepted by the Board.

Corporate Social Responsibility ('CSR')

The composition as on 31 March 2026, comprises of Anami N Roy (Chairman) (DIN: 01361110), Sanjiv Bajaj (DIN: 00014615) and Rajeev Jain (DIN: 01550158).

The CSR policy is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/CSR-Policy.pdf>.

Pursuant to Rule 8(1) of Companies (Corporate Social Responsibility Policy) Rules, 2014, Annual Report on CSR activities is annexed to this Report.

Further, the Company has met the CSR obligation, and no CSR amount remains unspent for FY2026.

Risk Management Framework

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 organisational arrangements for designing, implementing, monitoring, reviewing and continually improving Risk Management throughout the organisation. 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 Company has in place Operational Risk Management ('ORM') framework which enables systematic identification, assessment, measurement, monitoring, mitigation and reporting of operational risks. This is achieved through determining key process areas, converting them to measurable and quantifiable metrics (KRI's), setting thresholds for KRI's, monitoring and reporting on breaches of the threshold levels. Corrective actions are initiated, to bring back the breached metrics within their acceptable thresholds by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events, if any. It also establishes governance mechanisms, defined roles and responsibilities, and risk monitoring tools to support effective oversight. A management level Operational Risk Management Committee ('ORMC') has also been put in place to oversee implementation of the ORM framework.

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

As per the Reserve Bank of India (Non-Banking Financial Companies – Asset Liability Management) Directions, 2025, 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 Reserve Bank of India (Housing Finance Companies) Directions, 2025, HFCs shall comply with the directions for Internal Capital Adequacy Assessment Process ('ICAAP') as prescribed in paragraph 54 of the Reserve Bank of India (Non-Banking Financial Companies – Prudential Norms on Capital Adequacy) Directions, 2025.

The Company has an ICAAP policy in place. The policy is developed considering the requirements as per the RBI Directions and is based on the Pillar -2 requirements under Basel III Framework developed by the Basel Committee on Banking Supervision ('BCBS'). Accordingly, the Company has also framed ICAAP with an objective to ensure availability of adequate capital to support all risks in business as also to develop and use better internal risk management techniques for monitoring and managing risks.

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 Directions, the Committee also has an independent meeting with the Chief Risk Officer without the presence of management.

Further details on the Risk Management Committee, brief terms of reference and attendance record of members are given in the Report on Corporate Governance.

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

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 issued directions on fraud risk management. Pursuant to the RBI Directions, 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') to oversee the effectiveness of fraud risk management. The SCBMF committee reviews and monitor cases of frauds, including root cause analysis, and suggests mitigating measures for strengthening the internal controls, risk management framework and minimizing 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 fraud have been committed against the Company by officers or employees.

The Company has a comprehensive Risk Containment Unit infrastructure. The risk containment unit, through prevention and deterrence actions, is responsible for preventing fraud 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 systems & processes.

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

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

Further as per Schedule IV of the Act and provisions of the SEBI Listing Regulations, the performance evaluation of Independent Directors shall be done by the entire Board 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 the year 2025-26 is given below:

- Based on the criteria approved by the Board, a questionnaire-cum-rating sheet was circulated for seeking feedback of the directors with regards to the performance of the Board, its Committees, the Chairperson and individual directors.
- From the individual ratings received from the directors, a report on summary of ratings in respect of performance evaluation of the Board, its Committees, Chairperson and individual directors for the year 2025-26 and a consolidated report thereof arrived at.
- The NRC reviewed the implementation and compliance of the performance evaluation at its meeting held on 17 March 2026.
- The report of performance evaluation so arrived at was then discussed and noted by the Board at its meeting held on 17 March 2026.
- Based on the report and evaluation, the NRC and Board at their above-mentioned meetings, determined that the appointment of all Independent Directors may continue.
- Details on the evaluation of Board, Non-Independent Directors and Chairperson of the Company, carried out by the Independent Directors at their separate meeting held on 17 March 2026 have been furnished in a separate paragraph elsewhere in this report.
- During the year under review, the process followed by the Company was reviewed by the NRC, which opined these to be in compliance with the applicable provisions and found it to be satisfactory.
- The evaluation criteria for Independent Directors as required under Chapter VI – D of the SEBI Master Circular dated 30 January 2026 is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Performance-Evaluation-Criteria.pdf>.

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

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, is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Policy-for-determining-material-subsidiaries.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 to be its material subsidiary.

For FY2026, the Company continues to be classified as material subsidiary of Bajaj Finance Limited ('BFL'), the Holding Company, and Bajaj Finserv Limited ('BFS'), the ultimate Holding Company.

Significant and Material Orders Passed by the Regulators or Courts or Tribunals

During FY2026, there were no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

Internal Financial Controls

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

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

Internal Control Systems and their adequacy have been discussed in more detail in Management Discussion and Analysis.

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 the 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 input about such aspects which are adversely impacting their work environment. The policy/vigil mechanism also 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.

The concerns may be reported anonymously either through e-mail or through a 'Confidential Feedback Mechanism', which is reviewed by a Whistle-Blower Committee comprising of senior management from within and outside the organisation. Pursuant to the Whistle-Blower Policy, the summary of incidents investigated, actioned upon, founded and unfounded are reviewed by the Audit Committee on a quarterly basis. In addition, the Committee conducts an annual review of the effectiveness and functioning of the vigil mechanism/ Whistle-Blower Policy. The Policy provides safeguards against victimization of directors, employees and value chain partners who utilize the mechanism and enables direct access to the Chairperson of the Audit Committee by writing to bhflacchairperson@bajajhousing.co.in.

The aforesaid policy is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Vigil-Mechanism-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 FY2026, no person was denied access to the Audit Committee or its Chairperson under this policy and two complaints were received under the whistleblower mechanism of the Company which have been investigated and addressed as per the policy of the Company.

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').

Bajaj Housing Finance Limited Employee Stock Option Scheme, 2024 is in compliance with the SEBI SBEB Regulations and there were no changes in the scheme during the year. The same is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Employee-Stock-Option-Scheme-2024.pdf>. No acquisition has been undertaken by the trust through the secondary market route.

The Company follows an annual appraisal process of its employees. 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 certificate obtained from the Secretarial Auditors confirming that the scheme has been implemented in accordance with the aforesaid regulations and the shareholders' resolution shall be placed before the Members at the ensuing Annual General Meeting.

A statement giving details as at 31 March 2026, under Regulation 14 of the 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 FY2026.

Business Responsibility and Sustainability Report ('BRSR')

Pursuant to the SEBI circular dated 10 May 2021 read with the SEBI Listing Regulations, as amended from time to time, top 1,000 listed entities based on market capitalization are required to submit Business Responsibility and Sustainability report with effect from FY2023.

SEBI has further introduced BRSR Core, a focused sub-set of the BRSR, comprising Key Performance Indicators ('KPIs') across nine Environmental, Social, and Governance ('ESG') attributes. As per the glide path outlined in the circular, the top 500 listed entities are mandated to obtain reasonable assurance on the BRSR Core disclosures. In compliance with the SEBI requirements, the Company has appointed SGS India Private Limited. ('SGS') as an Assurance provider for carrying out the Reasonable Assurance for BRSR Core and Limited Assurance for the remaining BRSR disclosures, in alignment with the SEBI's requirements, for FY2026.

The Company has in place an executive level cross functional ESG Committee headed by the Managing Director. The Committee chalks out plans and other initiatives, keeping in view the leading practices and the requirements. It also monitors the implementation of ESG related initiatives and reporting thereof. The BRSR in the updated format (including KPIs of BRSR Core) prescribed by the SEBI is annexed to the Annual Report. A detailed ESG Report describing various initiatives, actions, and process of the Company towards the ESG endeavor is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/annual-reports>.

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 and General Shareholder Information.

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

A certificate from Secretarial auditor of the Company regarding compliance of conditions of corporate governance is annexed to this Report and it does not have any observations.

Secretarial Standards of ICSI

The Company has followed the applicable Secretarial Standards with respect to meetings of the Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Statutory Audit

Mukund M. Chitale & Co., Chartered Accountants (Firm Registration No. 106655W) and Singhi & Co., Chartered Accountants (Firm Registration No. 302049E), the Joint Statutory Auditors of the Company have conducted audit of the financial statements of the Company for the FY2026.

The Audit Report given by the Joint Statutory Auditors for FY2026 is unmodified, i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

The statutory auditors have not reported any matter under Section 143(12) of the Act, and therefore, no details are required to be disclosed under Section 134(3)(ca) of the Act.

In terms of the RBI Directions, the Joint Statutory Auditors have also submitted an additional Report dated 27 April 2026, for FY2026. There were no comments or adverse remarks in the said Report as well.

Secretarial Audit

Pursuant to Regulation 24A(1) of the SEBI Listing Regulations, the Members at the 17th Annual General Meeting held on 23 July 2025, approved the appointment of DVD & Associates, (Firm Registration No. S2016MH35900D), a peer reviewed firm of Company Secretaries in Practice as the Secretarial Auditor of the Company for a term of 5 (five) consecutive years from FY2026 till FY2030.

Pursuant to the provisions of Section 204 of the Act, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A (1) of the SEBI Listing Regulations, the secretarial audit for FY2026 was conducted by DVD & Associates. The Secretarial Audit report in the prescribed Form MR-3 is annexed to this Report. The report is unmodified i.e., it does not contain any qualification, reservation, adverse remark or disclaimer.

The secretarial auditor has not reported any matter under Section 143(12) of the Act, and therefore, no details are required to be disclosed under Section 134(3)(ca) of the Act.

Pursuant to Regulation 24A(2) of SEBI Listing Regulations, a report on secretarial compliance for FY2026 has been issued by DVD & Associates, Practicing Company Secretaries and the same will be submitted with the stock exchanges within the given timeframe. The report will also be made available on the website of the Company.

Internal Audit

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

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

The Internal Audit provides assurance to the Audit Committee / Board of Directors and Senior Management 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 Committee also reviews adequacy and effectiveness of internal controls based on such reports.

The Audit Committee independently meets the internal auditor every quarter 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 FY2025 to assess functioning of the internal audit function, adherence to the internal audit policy, objectives and expected outcomes. Similarly, QAIP for FY2026 will be carried out by an external agency.

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 in place a Board approved IS Audit Policy.

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.

The 2nd surveillance audit under the ISO 27001:2022 standard was conducted by BSI, and the overall outcome of the audit was found to be satisfactory.

Information Technology Governance, Business Continuity, Cyber Security and IT Infrastructure

The Reserve Bank of India ('RBI') issued the Master Direction on Information Technology Governance, Risk, Controls and Assurance Practices dated 7 November 2023, effective 1 April 2024. In line with these Directions, the Company revised the Terms of Reference of the IT Strategy Committee during the year, which, *inter alia*, includes annual review of the adequacy and effectiveness of Business Continuity Planning ('BCP') and Disaster Recovery ('DR') management, review of IT capacity assessments and mitigation measures, approval of documented standards for access to information assets, and constitution of an Information Security Committee ('ISC') comprising the Chief Information Security Officer ('CISO') and representatives from business and other functions.

Pursuant to the directions, the CISO is responsible for driving the cyber security strategy and ensuring compliance with applicable regulatory/statutory requirements on information/cyber security. The Company has implemented an IT governance policy framework, including the 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, and Change Management Policy.

The IT Strategy Committee is supported by the IT Steering Committee and the ISC comprising senior executives. The IT Steering Committee supports strategic IT planning, oversight of IT performance, and alignment of IT initiatives with business objectives, including implementation of robust IT architecture and compliance with statutory and regulatory requirements. The ISC oversees cyber and information security under the IT Strategy Committee, comprising the CISO and representatives from business, finance and IT functions, and is headed by personnel from the risk management function.

To further strengthen secure remote working, the Company implemented Zero Trust Network and VPN capabilities and deployed Network Access Control across LAN and Wi Fi. Privileged access controls enable secure remote support for identified partners. The cloud infrastructure includes DR capabilities; DR drills are conducted twice a year, and periodic backup restoration exercises are performed. While Senior management laptops are backed up, all laptop disks are encrypted, and security logs are monitored 24x7 by the Security Operations Center ('SOC').

During the year, the Board was apprised of cyber security developments and incident trends, and Directors & Senior Management underwent annual IT security training. The Company has also adopted measures to minimize non production workload during night hours to support cost optimization and reduce greenhouse effects.

Customer Engagement

Customer engagement and experience are core pillars of our organisation, 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.

The Company maintains a robust grievance redressal framework with defined turnaround timelines and a structured escalation matrix. Leveraging Machine Learning-based sentiment analysis and advanced analytics, we prioritize and categorize customer queries for faster, personalized resolution. Straight-through processing capabilities and data-driven insights enhance efficiency while enabling proactive engagement, portfolio segmentation, and tailored financial solutions to strengthen long-term relationships.

Service quality is continuously monitored through structured feedback mechanisms, root cause analysis of complaints, and active monitoring of social and digital platforms to address concerns promptly and implement corrective actions where required.

The Company has in place a Customer Service Committee headed by an Independent Director.

Further details on the Customer Service Committee, brief terms of reference and attendance record of members are given in the Report on Corporate Governance.

Initiatives of the Company towards customer engagement are detailed in the Management Discussion and Analysis.

Succession Planning

The Company has in place a succession planning framework to address anticipated, as well as unscheduled changes in leadership. The plan is revisited, re-evaluated, and updated every year. The key attribute of the plan involves:

- Organisational level Long Range Strategy wherein talent required to fulfil the Company’s strategy and annual operating plan is discussed and planned.
- Performance appraisal system which helps in identifying people demonstrating consistent performance on their goals and leadership behaviour in line with our cultural anchors.
- Identifying key succession gaps for critical/expert roles especially in N-1 roles to create internal mobility and career growth or identifying and periodically refreshing external hiring slate.
- To provide leaders with broader experience, cross-functional exposure, and meaningful developmental challenges through structured rotations across roles, departments, and functions, thereby helping build multi-dimensional leadership capability.

Compliance with the POSH Act, 2013

The Company is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender discrimination and harassment. At BHFL, we believe that all employees have the right to be treated with fairness and dignity.

The Company has a policy on prevention of sexual harassment at the workplace. The policy is gender neutral. This policy has been framed in accordance with the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, and rules framed thereunder.

The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under POSH Act, 2013. The aforesaid policy is available on the website of the Company and can be accessed at <https://www.bajajhousingfinance.in/Prevention-of-Sexual-Harassment-at-Workplace.pdf>.

Details of the complaints received during the year are as under:

No. of complaints of sexual harassment received in the year	No. of complaints disposed off during the year	No. of cases pending for more than ninety days
1	0	0

Other Statutory Disclosures

- In this report, any reference to the statutory or regulatory guidelines, acts, circulars, regulations, notifications and directions, unless the context otherwise requires, is construed to include any amendments, modifications, updations or re-enactment thereof as the case may be.
- More details regarding the operations of the Company and its state of affairs are covered in the Management Discussion and Analysis.
- There is no change in the nature of business of the Company during FY2026.
- During FY2026, there were no changes to the Company’s constitutional documents.
- The provisions of Section 148 of the Act relating to maintenance of cost records and cost audit are not applicable to the Company.
- 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.
- As on 31 March 2026, the Company had 2,052 permanent employees, comprising 1,917 male and 135 female employees.
- 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, are 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. Hence, information pursuant to Rule 8 of the Companies (Accounts) Rule, 2014 is not applicable. The Board has also passed a resolution confirming non- acceptance of public deposits.
- The Company remains committed to supporting working mothers and promoting a gender-inclusive workplace. The Company has complied with the applicable provisions of the Maternity Benefit Act, 1961.
- The Company has not defaulted on repayment of loans from any banks and financial institutions. There were no delays or default in payment of interest/principal of any of its debt securities.
- Neither any application was made, nor any proceeding pending under the Insolvency and Bankruptcy Code, 2016 against the Company.
- During FY2026, there was no instance of one-time settlement with Banks or Financial Institutions. Therefore, as per Rule 8(5)(xii) of Companies (Accounts) Rules, 2014, reasons of difference in the valuation at the time of one-time settlement and valuation done while taking loans from the Banks or Financial Institutions are not reported.
- 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 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.

Directors' Responsibility Statement

The financial statements are prepared in accordance with the Indian Accounting Standards ('Ind AS') under historical cost convention on accrual basis except for certain financial instruments, which are measured at fair values pursuant to the provisions of the Act and guidelines issued by the SEBI/RBI/NHB. Accounting policies have been consistently applied except when 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 and based on the information provided by the Management, the Directors state that:

- in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- 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 FY2026;
- 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.

Acknowledgement

The Board of Directors places its gratitude and appreciation for the support and co-operation from its members, debenture holders, the RBI, the IRDAI, the National Housing Bank, the Securities and Exchange Board of India, BSE Limited & National Stock Exchange of India Limited, the Registrar to an issue and Share Transfer Agent, the depositories, banks, financial institutions, trustees for debenture holders and customers.

The Board of Directors also places on record its sincere appreciation for the commitment and hard work put in by the Management and the employees of the Company and thanks them for yet another good year of performance.

On behalf of the Board of Directors,

Sd/-

Sanjiv Bajaj

Chairman

DIN: 00014615

Date: 27 April 2026

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 2026

Name of Director/Key Managerial Personnel	Ratio of remuneration of each director to median remuneration of employees	% increase in remuneration in FY2026
A. Whole-Time Directors		
Atul Jain	147*	7.75 [§]
B. Non-Executive Directors		
Sanjiv Bajaj- Chairman	2.80	Refer [#]
Rajeev Jain	4.78	
Anami N Roy	3.96	
Dr. Arindam Bhattacharya	3.96	
Jasmine Arish Chaney	4.12	
S M N Swamy	2.64	45.45
Ajay Kumar Choudhary	0.16	-**
C. Key Managerial Personnel		
Gaurav Kalani- Chief Financial Officer		12.75 [§]
Atul Patni- Company Secretary		6.32 [§]
D. % Increase in Median Remuneration of employees		13.9
E. Number of permanent employees on the rolls of the Company as on 31 March 2026		2052

*Remuneration excluding perquisite value as per Income Tax Act, 1961, fair value of ESOPs granted as per black scholes model by the Company for FY2026 and Ex Gratia payout.

[§]Percentage increase calculated on fixed pay basis.

[#]Decreased due to lower number of meetings as compared to previous Financial Year.

**Not comparable, since Ajay Kumar Choudhary was appointed as an Independent Director w.e.f. 01 March 2026.

- The variation reflected in column ' % increase in remuneration in FY2026 ' 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 8.34%.
- 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.

Secretarial Audit Report Form NO. MR-3

For the financial year ended 31st March 2026

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members

Bajaj Housing Finance Limited

Bajaj Auto Limited Complex, Mumbai-Pune Road,
Akurdi, Pune, Maharashtra, India, 411035

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Bajaj Housing Finance Limited** (hereinafter called '**the Company**'), listed at BSE Limited and National Stock exchange of India Limited.

The Secretarial Audit was conducted for the year from 1st April 2025 to 31st March 2026 ('**Audit Period**'), in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances of the Company and expressing our opinion thereon. We have been engaged as Secretarial Auditors of the Company to conduct the Audit of the Company to examine the compliance of Companies Act, 2013 and the laws specifically listed herein.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the Audit Period complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and legal compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Audit Period according to the provisions of the following list of laws and regulations as amended from time to time. The following are our comments on the same:

- (i) **The Companies Act, 2013 (the Act) and the Rules made there under:** The Company has satisfactorily complied with the provisions of the Companies Act, 2013 and the Rules made there under and there are no discrepancies observed by us during the Audit Period under review.
- (ii) **The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under:** The Company has satisfactorily complied with the Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under during the Audit Period under review.
- (iii) **The Depositories Act, 1996 and the Regulations and Bye-laws framed there under:** The Company is a listed public company and 99.99% of the shares were in dematerialized form. Further the Company has complied with the provisions of The Depositories Act, 1996 and the Regulations and Bye-laws framed there under.
- (iv) The provisions of the 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 were not applicable during the Audit Period under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
 - (d) The Securities and Exchange Board of India (Share based Employee Benefits and Sweat Equity) Regulations, 2021
 - (e) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021: (**Not applicable for the Audit Period under review**)

- (f) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 2025 regarding the Companies Act and dealing with client
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018: **(Not applicable for the Audit Period under review)**
- (i) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

The Company is a listed Company and provisions of Regulations and Guidelines mentioned above and prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') are duly complied by the Company

- (vi) Other applicable laws: The Company has complied with the provisions of the following specifically applicable laws during the Financial year:
 - (i) Rules, regulations, directions and guidelines issued by the Reserve Bank of India / National Housing Bank as are applicable to the Company
 - (ii) Insurance Act, 1938, the Insurance Regulatory and Development Authority ('IRDA') Act, 1999, Rules, regulations and guidelines issued by the IRDA under Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.

We 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 including general laws, rules, regulations and guidelines.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board and General meetings.
- (ii) The Listing Agreement entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the Audit Period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards etc. as mentioned above.

We 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. 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 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015.

Adequate notice was given to all the Directors to schedule the Board and its Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, other than those held at shorter notice, and a system exists for seeking and obtaining further information and clarifications on the agenda items prior to the meeting and for meaningful participation at the meeting. The decisions were carried unanimously.

The following major decisions, specific events / actions have occurred which has a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

1. The Company has allotted 15,33,500 units of Face Value of ₹ 1 lakh each Secured Non-Convertible Debentures amounting to ₹ 15,335 crore (Face Value) on private placement basis from time to time and complied with the Rules and Regulations under various Acts.
2. 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.
3. During the period under review the members have passed Special Resolution through Postal Ballot on May 7, 2025 for:
 - a. Continuation of Directorship Shri Anami N Roy (DIN: 01361110) as an Independent Director of the Company beyond the age of 75 years in his current tenure.

- b. Re-appointment of Shri Anami N Roy (DIN: 01361110) as an Independent Director of the Company for a second term of three consecutive years from May 19, 2025 to May 18, 2028.
4. The Board of Company has appointed Shri Ajay Kumar Choudhary (DIN: 09498080) as an Additional Director (Independent) for a period of 5 years from March 1, 2026 to February 28, 2031 at the board meeting held on February 02, 2026 and further during the year the Company has issued the postal ballot notice for members approval on February 2, 2026 w.r.t. his appointment as a Non-Executive Independent Director for a term of five consecutive years, w.e.f. 1 March 2026. The members of the Company have approved the Special Resolution on April 11, 2026.
5. The promoter of the Company i.e., Bajaj Finance Limited on 2 December 2025 sold 16,66,00,000 equity shares of the Company representing ~2% of its equity share capital through open market mechanism by executing a bulk deal in a secondary market, which is one of the methods provided under the SEBI Master Circular for achieving Minimum Public Shareholding.

For DVD & Associates
Company Secretaries

Devendra Deshpande
FCS No. 6099 CP No. 6515
PR NO: 7711/2026
UDIN: F006099H000207795
Date: 27 April 2026
Place: Pune

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Annexure to Secretarial Audit

To,
The Members

Bajaj Housing Finance Limited

Bajaj Auto Limited Complex, Mumbai-Pune Road,
Akurdi, Pune, Maharashtra, India, 411035

Our report 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of the financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of procedures on a 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.

For DVD & Associates
Company Secretaries

Devendra Deshpande
FCS No. 6099 CP No. 6515
PR NO: 7711/2026
UDIN: F006099H000207795
Date: 27 April 2026
Place: Pune

Auditors' Certificate on Corporate Governance

To,
The Members

Bajaj Housing Finance Limited

Bajaj Auto Limited Complex, Mumbai-Pune Road,
Akurdi, Pune, Maharashtra, India, 411035

We have examined the compliance of conditions of Corporate Governance by **Bajaj Housing Finance Limited (the Company)** for the year ended on 31 March 2026, as stipulated under Regulation 15(2) read with Schedule V Part E of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that 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 2026.

We further state such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For DVD & Associates
Company Secretaries

Devendra V. Deshpande
Proprietor
FCS No. 6099 CP No. 6515
PR NO: 7711/2026
UDIN: F006099H000207817
Date: 27 April 2026
Place: Pune

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)].

We have examined the relevant books, papers, minutes books, forms, registers and returns filed, and other records maintained by the Company and the forms, disclosures and notices received from the Directors during the last financial year, and also the information provided by the Company, its officers, agents and authorized representatives of Bajaj Housing Finance Limited ("the Company"), having CIN: L65910PN2008PLC132228 and its Registered office at Bajaj Auto Limited Complex, Mumbai-Pune Road, Akurdi, Pune - 411035 for the purpose of issue of a Certificate, in accordance with Regulation 34 (3) read with Schedule V Para-C Sub clause 10 (i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) 2015, as amended vide notification no SEBI/LAD/NRO/GN/2018/10 dated May 9, 2018 issued by SEBI.

In our opinion and to the best of our knowledge and based on such examination as well as information and explanations furnished to us, for the purpose of issue of this certificate and based on such verification (including Directors' Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary, we hereby certify that none of the Directors as stated below on the Board of the Company for the financial year ended on March 31, 2026 have been debarred or disqualified from being appointed or continuing as Directors of the Companies by Securities Exchange Board of India / Ministry of Corporate Affairs or any such other statutory authority.

Sr. No.	Name of Director	DIN	Designation
1	Sanjivnayan Bajaj	00014615	Chairman - Non - Executive Non - Independent Director
2	Anami Narayan Prema Roy	01361110	Non - Executive Independent Director
3	Dr. Arindam Bhattacharya	01570746	Non - Executive Independent Director
4	Jasmine Arish Chaney	07092359	Non - Executive Independent Director
5	Srirama Madakasira Narasimha Swamy	10367727	Non - Executive Independent Director
6	Ajay Kumar Choudhary*	09498080	Additional Director Non - Executive Independent Director
7	Rajeev Jain	01550158	Vice Chairman - Non-Executive Non - Independent Director
8	Atul Jain	09561712	Managing Director Executive

*The Board of Directors, at its meeting held on 2 February 2026 upon the recommendation of the Nomination and Remuneration Committee, appointed Ajay Kumar Choudhary (DIN: 09498080) as an Additional Director Non-Executive Independent Director from 1 March 2026. Further, members through special resolution passed by postal ballot on 11 April 2026, approved his appointment as a Non-Executive Independent Director for a term of five consecutive years, w.e.f. 1 March 2026.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For DVD & Associates

Company Secretaries

Devendra V. Deshpande

Proprietor

FCS No. 6099 CP No. 6515

PR NO: 7711/2026

UDIN: F006099H000207894

Date: 27 April 2026

Place: Pune

Annual Report on CSR activities for the financial year ended 31 March 2026

1. Introduction

The vision and philosophy of late Jamnalal Bajaj, founder of the Bajaj Group, continue to guide its Corporate Social Responsibility (CSR) approach. Rooted in the principle of trusteeship and the common good, his values laid the foundation for ethical, transparent, and purpose-driven business practices.

At Bajaj Group, growth is not measured by financial performance alone, but by the positive difference created in people's lives. CSR is viewed not merely as a corporate responsibility, but as a commitment to nation-building—driving sustainable, inclusive, and long-term social impact.

Building on this legacy, the Group launched its most ambitious social impact commitment, Bajaj Beyond, with a pledge of ₹ 5,000 crore over five years to impact two crore lives. This collective effort by Bajaj Group companies is focused on fostering economic self-reliance and strengthening communities, aligned with India's vision of skilling.

Through its social investments, the Group primarily focuses on Youth skilling, enabling employment, income generation, and entrepreneurship. At the same time, efforts are expanding to support children through interventions in education, health, and protection, along with inclusion for Persons with Disabilities (PwDs).

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

In compliance with Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has in place a CSR Policy. The Policy was last reviewed by the Board at its meeting held on 17 March 2026.

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/CSR-Policy.pdf
CSR projects approved by the Board	https://www.bajajhousingfinance.in/FY-26-AAP-Projects.pdf
Terms of Reference	https://www.bajajhousingfinance.in/Terms-of-Reference-of-Board-Committees.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:

The impact assessment for CSR project is currently in progress and has not yet been completed. The assessment is anticipated to be concluded in Q2 FY 2026-27.

- 6.** (a) Average net profit of the Company as per sub-section (5) of section 135: ₹ 2170.45 crore
 (b) Two percent of average net profit of the company as per sub-section (5) of section 135: ₹ 43.41 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: ₹ 1.47 crore
 (e) Total CSR obligation for the financial year [(6b)+(6c)-(6d)]: ₹ 41.94 crore
- 7.** (a.i) Details of CSR amount spent against ongoing projects for the financial year: ₹ 43.38 crore
 (a.ii) Details of CSR amount spent against other than ongoing projects for the financial year: Nil
 (b) Amount spent in Administrative Overheads: ₹ 0.40 crore
 (c) Amount spent on Impact Assessment, if applicable: ₹ 0.05 crore
 (d) Total amount spent for the Financial Year [(7a)+(7b)+(7c)]: ₹ 43.83 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
43.83	Not applicable, since there is no unspent amount			

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

Sr. No. Particulars	Amount (₹ in crore)
(i) Two percent of average net profit of the company as per sub-section (5) of section 135	43.41
(ii) Total amount spent for the Financial Year	45.30*
(iii) Excess amount spent for the Financial Year [(ii)-(i)]	1.89
(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)]	1.89

*Includes ₹ 1.47 crore excess CSR spent in 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 sub-section (5) of section 135: Not Applicable

Sd/-

Atul Jain

Managing Director

DIN: 09561712

Sd/-

Anami N Roy

Chairman, CSR Committee

DIN: 01361110

Pune, 27 April 2026

Report on Corporate Governance



**Corporate Governance
framework & philosophy**



Board of Directors



**Committees of the Board and
oversight mechanism**



Remuneration of Directors



**Policies and Regulatory
Assurance**



**Other mandatory & non-
mandatory disclosures**



**Auditors' Certificate on
Corporate Governance**

Corporate Governance framework & philosophy

This report details the corporate governance policies and practices of Bajaj Housing Finance Limited (the 'Company', 'Bajaj Housing' or 'BHFL') for FY2026 and outlines compliance with requirements of the Companies Act, 2013, (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') and amendments thereto, Reserve Bank of India (Non-Banking Financial Companies – Registration, Exemptions and Framework for Scale Based Regulation) Directions, 2025 and Reserve Bank of India (Housing Finance Companies) Directions, 2025 (collectively called as 'RBI Directions'), as applicable to the Company.

Philosophy

For us, corporate governance is a reflection of principles rooted in our values & policies and also embedded in our day-to-day business practices. The commitment of Bajaj group to the highest standards of corporate governance predates the provisions of the SEBI Listing Regulations. 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.

As will be seen, the Company's corporate governance practices and disclosures go well beyond complying with the statutory and regulatory requirements stipulated under applicable laws.

Key elements of Bajaj Housing Finance Corporate Governance

- Compliance with applicable laws.
- Promoting fairness, transparency, accountability, commitment to values, ethical business conduct considering all stakeholders' interest while conducting business.
- Proactive adherence to regulations.
- Number of Board and Committee meetings, more than the statutory requirement, including meetings dedicated for discussing strategy, operating plans and risks.
- Directors from diverse backgrounds and substantial experience, who are able to provide appropriate guidance to the executive management, as required.
- Independent Directors with strong track record and reputation.
- Rotation of key Committee's chair and changes to its composition once every few years to provide broader exposure and have a balance responsibilities amongst Board members.
- Pre-briefing sessions of 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.
- 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.
- 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.
- 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).
- Half-yearly communication from the Chairman to all shareholders of the Company giving an update on the Company's performance.
- Periodical updates to the Board and various committees on the Company's preparedness on evolving regulatory landscape, emerging risks and technological changes.
- Terms of reference of various Committees in line with best practices and governance guidelines.
- 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;
- Policy for Compensation of Key Managerial Personnel ('KMP') and Senior Management;
- Code of ethics and personal conduct.

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

Board of Directors

Board of Directors ('Board')

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 shareholders, the community and its various stakeholders.

All the directors 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 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, a review of terms of reference of various committees was carried out to align them with updated regulations, best practices and various governance guidelines.

The Company follows structured post-meeting review processes to ensure effective execution of the decisions taken by the Board of Directors and its Committees. The key decisions, directions and recommendations arising from the meetings are promptly communicated to the concerned departments for execution. The status of implementation is captured through Action Taken Reports, which are reviewed by the Board and the Committees at subsequent meetings.

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 2026, the Board of the Company consisted of eight directors, of whom one is Executive (Managing Director), five Non-Executive Independent (including one-woman Independent Director) and two Non-Executive Non-Independent. The Board does not have any institutional Nominee Director.

The composition of the Board is above the statutory mandate under SEBI Listing Regulations.

Changes in Composition of Board During FY2026 and FY2025

Details of change in composition of the Board during the current and previous financial year i.e., from 1 April 2024 to 31 March 2026 is given below:

Sr.	No.	Financial Year	Name of Director	Capacity	Nature of Change	Effective Date
1.		FY2025-26	Ajay Kumar Choudhary	Independent Director	Appointment*	1 March 2026
2.		FY2024-25	S M N Swamy	Independent Director	Appointment	1 August 2024

*The Board of Directors, at its meeting held on 2 February 2026, upon the recommendation of the Nomination and Remuneration Committee, appointed Ajay Kumar Choudhary (DIN: 09498080) as an Additional Director (Independent) from 1 March 2026. Further, members through special resolution passed by postal ballot on 11 April 2026, approved his appointment as an Independent Director for a term of five consecutive years, with effect from 1 March 2026 up to 28 February 2031 (both days inclusive).

Resignation of Independent Director during FY2026

No Independent Director resigned during FY2026.

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 facilitate their participation at all the meeting(s). In addition to the quarterly Board meetings, dedicated meetings are also convened in the month of September and March to facilitate the Board to devote additional time on annual operating plan and strategic matters.

During FY2026, the Board met six times viz., on 23 April 2025, 23 July 2025, 15 September 2025, 6 November 2025, 2 February 2026 and 17 March 2026. The gap between two consecutive meetings was less than one hundred and twenty days.

Table 1: Summary of composition of Board, attendance record, total compensation for the FY2026, and shareholding in the Company is provided below.

Sr. No.	Name of Director, DIN and capacity/ category	Director Since	No. of Board Meetings Attended/ Entitled to Attend	% of Board Meetings attended during last 3 years	No. of Directorships (Including the Company)	Remuneration (₹ in crore)			No. of Shares held in the Company	Attendance at the last AGM held in July 2025
						Salary	Sitting Fee	Commission ^s		
1	Sanjiv Bajaj (DIN: 00014615) Chairman - Non-Executive Non- Independent Director	22.01.2018	6/6	100	18	-	0.17	0.34	100 (Bajaj Finance Limited jointly with Sanjiv Bajaj)	√
2	Rajeev Jain (DIN: 01550158) Vice Chairman Non-Executive Non- Independent Director	10.11.2014	5/6	95	3	-	0.34	0.58	100 (Bajaj Finance Limited jointly with Rajeev Jain)	√
3	Anami N Roy (DIN: 01361110) Non-Executive - Independent Director	19.05.2020	6/6	95	7	-	0.31	0.48	Nil	√
4	Dr. Arindam Bhattacharya (DIN: 01570746) Non-Executive - Independent Director	01.05.2022	5/6	95	5	-	0.24	0.48	Nil	√
5	Jasmine Chaney (DIN: 07082359) Non-Executive - Independent Director	01.04.2023	5/6	95	5	-	0.32	0.50	Nil	√

Sr. No.	Name of Director, DIN and capacity/ category	Director Since	No. of Board Meetings Attended/ Entitled to Attend	% of Board Meetings attended during last 3 years	No. of Directorships (Including the Company)	Remuneration (₹ in crore)			No. of Shares held in the Company	Attendance at the last AGM held in July 2025
						Salary	Sitting Fee	Commission [§]		
6	S M N Swamy (DIN: 10367727) Non-Executive – Independent Director	01.08.2024	5/6	92 [#]	3	-	0.16	0.32	Nil	√
7	Ajay Kumar Choudhary (DIN: 09498080) Non-Executive – Independent Director	01.03.2026	0/1	-	11	-	0.01	0.02	Nil	NA
8	Atul Jain (DIN: 09561712) Managing Director	01.05.2022	6/6	100	1	17.80*	-	-	- 7276 - 100 shares are held by Bajaj Finance Limited jointly with Atul Jain	√

*Excluding perquisite value as per Income Tax Act, 1961, fair value of ESOPs granted as per black scholes model by the Company for FY2026 and Ex Gratia payout.

[#]Percentage of meetings attended is calculated based on the number of Board meetings attended post the appointment.

[§]The commission will be released to the Directors post adoption of financial statements by the members at the AGM for FY2026.

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'). The grant details for the FY2026 are provided under the head 'Remuneration of Directors'. Apart from that none of the Directors hold any convertible instruments.

Table 2: The details of Board meetings and attendance record of directors for FY2026

Name of the Director	Dates of Board meetings held during FY2026					
	23 April 2025	23 July 2025	15 September 2025	6 November 2025	2 February 2026	17 March 2026
Sanjiv Bajaj	√	√	√	√	√	√
Rajeev Jain	√	√	X	√	√	√
Anami N Roy	√	√	√	√	√	√
Dr. Arindam Bhattacharya	√	√	X	√	√	√
Jasmine Chaney	√	√	X	√	√	√
S M N Swamy	√	√	√	√	X	√
Ajay Kumar Choudhary	NA	NA	NA	NA	NA	X
Atul Jain	√	√	√	√	√	√

√ Attended X Absent Not Applicable (NA)

Directorships and Memberships of Board Committees

Table 3: Number of directorship/committee positions of directors as on 31 March 2026 (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	3	-	-	2	-
Anami N Roy	5	1	1	8	5
Dr. Arindam Bhattacharya	3	1	1	6	1
Jasmine Chaney	2	3	-	2	-
S M N Swamy	1	-	2	2	-
Ajay Kumar Choudhary	3	5	3	5	2
Atul Jain	1	-	-	-	-

Note: For the purpose of considering the limit of committees in which a director can serve, all public limited companies, whether listed or not, have been included, whereas all other companies including private limited companies, foreign companies and companies under Section 8 of the Act 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, while directorships, in dormant and Section 8 companies are excluded. For the purpose of reckoning the directorships in listed companies, equity listed entities and high value debt listed entities, have been considered.

As per declarations received, no director serves as a director, independent or otherwise, in more than seven listed entities or as an Independent Director in more than three listed entities if he/she is a Whole-Time Director/ Managing Director in any listed entity. The Independent Directors are not on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time.

Further, Key Managerial Personnel do not hold any office (including directorships) in any other NBFC-Middle Layer or NBFC-Upper Layer.

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 Entities

Table 4: Name of listed entities where directors of the Company held directorships as on 31 March 2026 (including the Company)

Sr. No.	Name of Director	Name of Listed Entity	Category
1.	Sanjiv Bajaj	Bajaj Auto Limited	Non-Executive, Non-Independent
		Bajaj Finance Limited	Chairman, Non-Executive, Non-Independent
		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
		Bajaj Housing Finance Limited	Chairman, Non-Executive, Non-Independent
2.	Rajeev Jain	Bajaj Finance Limited	Vice Chairman and Managing Director, Executive
		Bajaj Finserv Limited	Non-Executive - Non-Independent
		Bajaj Housing Finance Limited	Vice Chairman, Non-Executive - Non-Independent
3.	Anami N Roy	Bajaj Auto Limited	Non-Executive, Independent
		Bajaj Finserv Limited	
		Bajaj Finance Limited	
		Siemens Limited	
		Elevate Campuses Limited*	
4.	Dr. Arindam Bhattacharya	Bajaj Housing Finance Limited	Non-Executive, Independent
		Bajaj Holdings & Investment Limited	
		Bajaj Finance Limited	
		Gaja Alternative Asset Management Limited*	
5.	Jasmine Chaney	Bajaj Housing Finance Limited	Non-Executive, Independent
		Maharashtra Scooters Limited	
6.	S M N Swamy	Bajaj Housing Finance Limited	Non-Executive, Independent
7.	Ajay Kumar Choudhary	Aurionpro Solutions Limited	Non-Executive, Independent
		Bajaj Finance Limited	
		Truhome Finance Limited*	
8.	Atul Jain	Bajaj Housing Finance Limited	Managing Director, Executive

*Have filed the Draft Red Herring Prospectus with SEBI. Hence, considered.

Familiarisation Programme

On an ongoing basis, the Board including Independent Directors are kept abreast with matters relating to the industry in which Company operates, its business model, cyber security, long range strategy, emerging risks, technology & innovation and other regulatory updates including inspection report observations etc. enabling them to contribute effectively to the Board's deliberations.

The Board is also apprised on the significant developments in the Company and the group.

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/Familiarisation-Programme.pdf>.

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/Draft-Appointment-letter-of-ID.pdf>.

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.

Board Diversity

In compliance with the provisions of the SEBI Listing Regulations, the Board through Nomination and Remuneration Committee has devised a policy on Board Diversity. The Board comprises adequate number of members with diverse experience and skills, such that it best serves the governance and strategic needs of the Company.

The directors are persons of eminence in areas such as financial services, technology, banking, business transformation and strategy, corporate governance, audit and risk management, finance, law, administration, research 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 and can be accessed 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	Ajay Kumar Choudhary
1	Management and 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 and Strategy	√	√	√	-	√	√	-	√

Opinion of the Board

The Board 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.

Information placed before the Board and its Committees

The Board and its Committees are 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 by key members of Senior Management on important matters from time to time. Directors have separate and independent access to the senior management of the Company. In addition to items required to be placed before the Board for its noting and/or approval, information is provided on various significant matters.

In terms of quality and importance, the information supplied by Management to the Board is far ahead of the mandate under the Act and SEBI Listing Regulations. The Independent Directors of the Company met on 17 March 2026 and assessed especially from the perspective of whether these aided the Board and its Committees to effectively and reasonably perform their duties. The Independent Directors expressed their satisfaction on the quality, quantity and timeliness of flow of information between the Company's Management and the Board.

Pursuant to the applicable regulatory requirements and considering business, the Board is apprised on various strategic, business, risks, compliance and regulatory matters. During FY2026 it, *inter alia*, covered the following:

- Annual Operating Plans and Long Range Strategy Initiatives;
- Business continuity and disaster recovery preparedness;
- Company's preparedness with the data privacy laws, and impact of the new labour code;
- Internal financial controls and adequacy thereof;
- Succession planning and organisation structure;
- Fraud risk management framework and effectiveness of preventive controls;
- Compliance with corporate governance standards and fair practices code;
- Supervisory concerns raised by regulators;
- Status of compliance with Act, SEBI Regulations, RBI Direction and shareholder related matters;
- Functioning of customer grievance redressal mechanism and Compliance with fair practices code;
- Innovation and adoption of newer technologies in business;
- Risk management system and emerging risk;
- Action taken by the management on the advisories/observations issued by the regulators;
- Review of various policies framed by Company from time to time;
- Awareness on cyber security, information security and cyber security framework, including incident reporting and resilience measures;
- ESG initiatives and sustainability practices;
- Deliberations of committees.

Committees of the Board and oversight mechanism

Board and Committees



Committees

AC: Audit Committee

NRC: Nomination and Remuneration Committee

SRC: Stakeholders' Relationship Committee

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

RC: Review Committee for identification of wilful defaulter

CC: Credit Committee

RMC: Risk Management Committee

CSR: Corporate Social Responsibility Committee

CSC: Customer Service Committee

IT: Information Technology (IT) Strategy Committee

Audit Committee

Pursuant to the Act, SEBI Listing Regulations and RBI Directions, 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. Members of the Committee have necessary accounting or financial management related expertise and are considered financially literate in terms of the SEBI Listing Regulations.

The terms of reference (hereinafter in this report referred as 'ToR') of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Directions. The Board reviews the working of the Committee from time to time to bring about greater effectiveness and to ensure compliance with the various requirements under the Act, SEBI Listing Regulations and RBI Directions.

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
Financial reporting process	
Review of financial results/statements & Auditor's Report	Quarterly
Reviewing with the management, changes if any, in accounting policies and practices	Annually
Discussion with the Auditors on items of significant judgement, audit plan matter of emphasis, if any	Quarterly / Annually
Related Party Transactions	
Approval or any subsequent modification of transactions with related parties	Annually / Event based
Review of related party transactions	Quarterly
Compliance and Regulatory Oversight Responsibilities	
Approval of Audit Plan & Compliance Plan	Annually
Review the Whistle Blower incidents and functioning of the mechanism	Quarterly / Annually
Review compliance with the provisions of Insider Trading Regulations.	Quarterly
Review all issues / concerns raised in the Supervisory / Inspection reports of Regulators, and follow up action on the issues raised	Event based
Independent discussion with Internal Auditor and Chief Compliance Officer	Quarterly
Internal Audit and Internal Controls	
Evaluation of internal financial controls	Annually
Discussion with internal auditors of any significant findings and follow up there on	Quarterly
Others	
Review of important guidelines, circulars, notifications etc. issued by RBI, SEBI, MCA and other regulatory bodies and the Company's preparedness	Quarterly / Event based
Recommendation of appointment & remuneration of Auditors and Chief Financial Officer	Annually / Event based

Meetings and attendance

During FY2026, the Committee met five times viz. on 23 April 2025, 23 July 2025, 6 November 2025, 2 February 2026 and 17 March 2026. 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.

Anami N Roy, Chairman of the Committee, was present at the AGM on 23 July 2025, to answer shareholders' queries.

Composition of the Audit Committee and attendance record of the members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Anami N Roy	01.06.2021	Chairman, Non-Executive and Independent	5/5
Dr. Arindam Bhattacharya	01.05.2022	Non-Executive, Independent	5/5
Jasmine Chaney	01.04.2023	Non-Executive, Independent	5/5
S M N Swamy	15.10.2024	Non-Executive, Independent	4/5
Rajeev Jain	01.05.2022	Non-Executive and Non-Independent	5/5

During FY2026, the Board had accepted all recommendations of the Committee.

Nomination and Remuneration Committee

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

The ToR of the Committee are in accordance with the Act, SEBI Listing Regulations and RBI Directions.

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
To recommend appointment of Directors	Event based
Formulation and recommendation of criteria for determining qualifications, positive attributes and independence of Directors and ensuring with 'Fit & Proper' status of the proposed /existing directors	Annually / Event based
Recommendation of remuneration payable to Directors and Senior Management	
Performance evaluation of the Board, its Committees and individual Directors, including Independent Directors	
Review and recommendation on continuation or extension of tenure of Independent Directors based on performance evaluation	Annually
Assist the Board in relation to succession plan for Directors as well as Senior Management	

The Committee acts as the Compensation Committee for administration of the Company's Employee Stock Option Scheme, 2024.

Meetings and attendance

Further, during FY2026, the Committee met five times viz. 23 April 2025, 23 July 2025, 6 November 2025, 2 February 2026 and 17 March 2026.

Dr. Arindam Bhattacharya, Chairman of the Committee, was present at the AGM held on 23 July 2025, to answer shareholders' queries.

Composition of the NRC and attendance record of the members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Dr. Arindam Bhattacharya	22.01.2023	Chairman, Non-Executive and Independent	5/5
Anami N Roy	19.05.2020	Non-Executive and Independent	5/5
Rajeev Jain	01.05.2022	Non-Executive and Non- Independent	5/5

During FY2026, the Board had accepted all recommendations of the Committee.

The criteria for evaluating Independent Directors includes, *inter alia*, their ability to bring external expertise and independent judgment that enhances the objectivity of the Board’s deliberations—particularly on matters related to strategy, performance, resource allocation, key appointments, regulatory compliances, risk management, and standards of conduct. It also considers their commitment to devote adequate time and attention to professional obligations, enabling independent decision-making in the best interest of all stakeholders.

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

During the year the Committee also identified, Material Risk Takers whose actions have a material impact on the risk exposure of the Company.

Risk Management Committee

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

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
To review Credit, Financial & Liquidity, Debt Management, Operational & Service, Technology, ESG (including climate risk), Reputational & Market (investment), Outsourcing and other risk associated with the business of the Company	Quarterly
To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems	
To oversee the implementation of Operational Risk Management and Operational Resilience framework and review the same from time to time	
To provide guidance on emerging risks	
To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company	
To have independent discussions with Chief Risk Officer	Annually
To set the ‘Risk Appetite/Limit’ of the Company based on its ‘Risk Capacity’ and to review risk profile in relation to approved risk appetite limit	

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 Discussion and Analysis.

Meetings and attendance

Further, during FY2026, the Committee met five times viz. on 23 April 2025, 23 July 2025, 15 September 2025, 6 November 2025 and 2 February 2026.

Composition of the RMC and attendance record of the members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Dr. Arindam Bhattacharya	01.05.2022	Chairman, Non-Executive and Independent	4/5
Sanjiv Bajaj	16.05.2018	Non-Executive and Non- Independent	5/5
Anami N Roy	01.05.2022	Non-Executive and Independent	5/5
Jasmine Chaney	01.04.2023	Non-Executive and Independent	4/5
Rajeev Jain	20.03.2017	Non-Executive and Non- Independent	4/5
Atul Jain	22.09.2017	Managing Director	5/5

During FY2026, the Board had accepted all recommendations of the Committee.

Stakeholders' Relationship Committee

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

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
To resolve the grievances of the security holders	Half yearly
Review measures taken for effective exercise of voting rights by shareholders	
Review adherence to the service standards in respect of various services rendered by Registrar to an issue and Share Transfer Agent	
To monitor compliance with covenants as per Debenture Trust Deed and Disclosure Documents.	Annually

Meetings and attendance

During FY2026, the Stakeholders' Relationship Committee meetings were held on 15 September 2025 and 17 March 2026. The Committee was apprised of the major developments on matters relating to investors and security holders.

Anami N Roy, Chairman of the Committee, was present at the AGM of the Company held on 23 July 2025, to answer shareholders' queries.

Composition of the SRC and attendance record of the Members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Anami N Roy	17.01.2022	Chairman, Non-Executive and Independent	2/2
Sanjiv Bajaj	17.01.2022	Non-Executive and Non- Independent	2/2
S M N Swamy	22.10.2024	Non-Executive and Independent	2/2
Rajeev Jain	17.01.2022	Non-Executive and Non-Independent	1/2

During FY2026, the Board had accepted all recommendations of the Committee.

Details of investor complaints received during FY2026:

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
2	9	0	11	0

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.

During FY2026, 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, cyber security awareness and training, security incident monitoring overview, threat functioning and forensics, and information system audit.

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
Guide in preparation of IT Strategy and ensure that the IT Strategy aligns with the overall strategy towards accomplishment of its business objectives	Quarterly
Processes for assessing and managing IT and cybersecurity risks is in place	
Review of internal audit findings with respect to IT processes	
Review Key IT projects, Security incidents, Vulnerability Assessment Penetration testing ('VAPT') including any recurring observation, Third Party Security Governance ('TPSG')	Half yearly
To ensure IT Governance and Information Security Governance structure fosters accountability and its effective implementation	Annually
Budgetary allocations for the IT function (including for IT security), cyber security are commensurate with the Company's IT maturity, digital depth, threat environment and industry standards and are utilized in a manner intended for meeting the stated objectives	
Review of all IT and information security policies	

Meetings and attendance

During FY2026, the Committee met four times viz. on 23 April 2025, 23 July 2025, 6 November 2025 and 2 February 2026.

Composition of IT Strategy Committee and attendance record of the Members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Dr. Arindam Bhattacharya	01.05.2022	Chairman, Non- Executive and Independent	4/4
Sanjiv Bajaj	16.07.2018	Non-Executive and Non- Independent	4/4
Jasmine Chaney	01.04.2023	Non-Executive and Independent	4/4
Rajeev Jain	16.07.2018	Non-Executive and Non- Independent	4/4
Atul Jain	16.07.2018	Managing Director	4/4

During FY2026, the Board had accepted all recommendations of the Committee.

Customer Service Committee

To strengthen the customer engagement and monitoring process, the Company has suo-moto constituted a Customer Service Committee ('CSC') headed by an Independent Director.

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
To oversee and guide implementation of service enhancement initiatives across the Company	Half yearly
To review grievance redressal and issues bearing on the quality of services and adherence to Fair Practices Code	
Review customer grievances and their redressal related to handling & reporting of Credit Information by the Company to Credit Information Companies ('CIC')	
Remediation plan for any specific observation from NHB in the inspection reports pertaining to Customer Service, and any other directions and guidelines from RBI/NHB	Event based

Meetings and attendance

During FY2026, the Committee met two times viz., on 22 July 2025 and 2 February 2026.

Composition of CSC and attendance record of the Members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Jasmine Chaney	20.03.2025	Chairperson, Non- Executive and Independent	2/2
S M N Swamy	20.03.2025	Non-Executive and Independent	1/2
Rajeev Jain	20.03.2025	Non-Executive and Non-Independent	1/2
Atul Jain	20.03.2025	Managing Director	2/2

During FY2026, the Board had accepted all recommendations of the Committee.

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 ('SCBMF') for prevention, early detection and timely reporting of incidents of fraud. The Committee is headed by an Independent Director.

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
To oversee the effectiveness of the fraud risk management	Quarterly
To oversee effectiveness of the early detection framework through Early Warning System ('EWS')	
To oversee the organisational structure for institutionalisation of fraud risk management within the overall risk management functions / department of the Company	Annually
To approve and oversee implementation of fraud risk management policy	

Meetings and attendance

During FY2026, the meetings of SCBMF were held on 23 April 2025, 22 July 2025, 6 November 2025 and 2 February 2026.

Composition of SCBMF and attendance record of the Members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Jasmine Chaney	22.10.2024	Chairperson, Non- Executive and Independent	4/4
S M N Swamy	22.10.2024	Non-Executive and Independent	3/4
Rajeev Jain	22.10.2024	Non-Executive and Non-Independent	4/4
Atul Jain	22.10.2024	Managing Director	4/4

Further, during FY2026, the Board had accepted all recommendations of the Committee.

Credit Committee

The Company has in place a Credit Committee to review, renew and approve credit facilities for various lines of businesses upto the thresholds and conditions prescribed in the Credit Approval Delegation Matrix.

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 to higher of ₹ 2000 crore or the limit in-principle approved by the Board for each group under large commercial exposure.

Broadly, the key ToR of the Committee are as under:

Particulars	Periodicity
To review, renew and approve credit facilities for various lines of businesses upto the prescribed/specified limits (including lending to Related Parties)	Each meeting
Recommend to the Board all credit facilities above the specified limits of the Credit Committee	As and when required

Meetings and attendance

During FY2026, the Committee met 19 times.

Effective 1 April 2026, the total sitting fees payable to each member of the Committee is capped at a maximum of ₹ 12,00,000 per annum for meetings of the Committee attended by them. The payment of commission is not applicable for the said Committee.

Composition of Credit Committee and attendance record of the Members for FY2026

Name of Director	Member of the Committee since	Capacity	Meetings attended/ entitled to attend
Rajeev Jain	18.05.2020	Chairman, Non-Executive and Non-Independent	11/19
Jasmine Chaney	20.03.2025	Non- Executive and Independent	18/19
Anami N Roy	25.07.2022	Non-Executive and Independent	19/19

Review Committee for identification of wilful defaulter ('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'.

The function of the Committee is to review the order passed by the Identification Committee. The composition of the Committee as on 31 March 2026, comprises of Atul Jain (Chairman), Anami N Roy and Dr. Arindam Bhattacharya.

During FY2026, there have been no instances of declaration of any borrower as a wilful defaulter.

The detailed terms of reference of all Board Committees can be accessed at <https://www.bajajhousingfinance.in/Terms-of-Reference-of-Board-Committees.pdf>

Asset Liability Management ('ALM') Committee

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

The role of the Committee is to oversee ALM statements, macroeconomic indicators affecting the industry and the Company, monitoring interest rate scenarios, liquidity position in normal and stress scenarios, balance sheet growth, and liability maturities etc., 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

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.

Remuneration of Directors

Pecuniary relationship/transaction with Non-Executive Directors

During FY2026, there were no pecuniary relationship/transactions of any Non-Executive Directors ('NEDs') with the Company, other than sitting fees and commission, payable to them as Directors.

Criteria of making payments to 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 criteria of making payments to Non-Executive Directors is placed on the Company's website and can be accessed at <https://www.bajajhousingfinance.in/Criteria-of-payment-to-NEDs.pdf>.

Remuneration payable to NEDs are covered under Table 1.

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 FY2026, the Non-Executive Directors of the Company were entitled to a commission at the rate of ₹ 2,00,000 per meeting of the Board and/or its committees, including for separate meeting of Independent Directors (except Corporate Social Responsibility Committee and Credit Committee) 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, including for separate meeting of Independent Directors (except Corporate Social Responsibility Committee) attended by them.

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

Managing Director's Compensation

Tenure and Appointment	The tenure of Managing Director is of five years up to 30 April 2027 with a notice period of at least six months or salary in lieu thereof.
Remuneration Structure	<p>His compensation comprises of fixed pay, variable pay and perquisites. The variable pay comprises of cash component in the form of annual bonus, of which 50% is deferred over a period of 3 years. The other component of variable pay comprises of stock options. He is eligible for perquisites and other benefits as per company rules.</p> <p>The variable pay is determined, <i>inter alia</i>, basis performance of Company, leadership traits and comparable compensation payable to MDs/CEOs across industry basis an independent benchmarking.</p> <p>There is no provision for payment of severance fees. Further, the compensation payable to him is subject to Policy for Compensation of Key Managerial Personnel and Senior Management as per the RBI Directions. Details of remuneration paid to him is covered under 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.</p>
Stock Options – Company Grant	During FY2026, 22,30,780 options were granted at a grant price of ₹ 131.16 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.

Policies and Regulatory Assurance

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. It covers directors (including Independent Directors) of the Company. The Board is of the opinion that quantum and risk presently covered is adequate.

Whistle-Blower Policy/Vigil Mechanism

The details are provided under the Whistle-Blower Policy/Vigil Mechanism section of the Directors' Report.

Related Party Transactions

All related party transactions entered during FY2026 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 FY2026, 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 related party transactions are at arm's length. Approval of the Audit Committee was obtained for all related party transactions entered during FY2026 as per SEBI Listing Regulations. Details of such transactions were placed before the Audit Committee for its noting/review on a quarterly basis.

During FY2026, 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, if any is set out separately in this Annual Report.

During FY2026, 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 FY2026 are provided in the notes to the financial statements.

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/Policy-on-Materiality-of-dealing-with-Related-Party-Transactions.pdf>.

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'). Wherever non-compliance by a designated person concerned was observed, penalty was levied as per Board approved penal matrix and the amount was remitted to the SEBI stipulated fund.

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

To enable Audit Committee and the Board to review the adequacy and effectiveness of the system of internal controls to ensure compliance with the requirements of SEBI PIT Regulations, the Management had engaged practicing firm of Company Secretary, to conduct an independent review of the Company's insider trading-related processes and controls.

Based on their review, they opined that during the review period the Company has complied with the provisions of the SEBI PIT Regulations and the systems for internal control placed by the Management are adequate and operating effectively. The Audit Committee based on the external assurance and other materials and information provided, having reviewed compliances with provisions of SEBI Insider Trading Regulations and verified that the systems for internal controls are in compliance with the provisions.

Compliance with covenants

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

Code of Conduct

The SEBI Listing Regulations requires listed companies to lay down a code of conduct ('code') 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 subject to periodic review. The Code has been placed on the Company's website and can be accessed at <https://www.bajajhousingfinance.in/Code-of-Conduct-for-Directors-and-senior-management.pdf>.

All the Board members and senior management personnel have affirmed compliance with the Code for the year ended 31 March 2026. A declaration to this effect signed by the Managing Director forms a part of this Annual Report.

Compliance Certificate

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

Certificate on qualification of Directors

The Company has received a certificate from DVD & Associates, Practicing Company Secretary and the Secretarial Auditor of the Company, to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or to continue as a director of the Company by SEBI/Ministry of Corporate Affairs ('MCA') or such other statutory/regulatory authority for FY2026. The said certificate forms a part of the Annual Report.

Other mandatory & non-mandatory disclosures

Orderly Succession to Board and Senior Management

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.

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.

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/Policy-for-determining-material-subsidiaries.pdf>.

Loans and Advances

The Company has not provided any loans and advances in the nature of loans to firms/ companies in which the directors are interested within the meaning of provisions of Section 184 of the Act.

The information pursuant to Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025 on Loans and advances to directors or their relative, if any, are provided under Notes to Accounts of Annual Financial Statement.

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. Therefore, there are no details to be disclosed as per Regulation 32(7A) of the SEBI Listing Regulations.

Commodity price risks and commodity hedging activities

The Company is not directly exposed to commodity price risk and hedging activities.

Management Discussion and Analysis Report

This is given as a separate section in the Annual Report.

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

Details of Senior Management Personnel ('SMP') as on 31 March 2026 and changes therein during FY2026 as per provisions of Schedule V (C)(5B) of the SEBI Listing Regulations:

Sr. No.	Name of SMPs	Designation	Changes since close of previous financial year
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 Solanki	Treasurer	-
6.	Amit Sinha	Executive Vice President – Home Loans, B2C	Ceased to be SMP of the Company w.e.f. 31 March 2026 due to Intra-group movement
7.	Vipin Arora	Senior Executive Vice President – CRE	-
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	Ceased to hold the position of Chief Risk Officer (CRO) w.e.f. 31 March 2026 on account of his movement to Business function with the Company
11.	Gagandeep Malhotra	Executive Vice President – Credit & Operations	Appointed as CRO for a period of 5 consecutive years w.e.f. 1 April 2026
12.	Sayantani Dutta	Chief – Human Resources and Administration	-
13.	Anurag Jain	Executive Vice President – 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 FY2026:

- Board of Directors at its meeting held on 17 March 2026, approved the appointment of Hari Dasan EVK, Senior Head – Legal, and Amit Maheshwari, Chief – Operations & Service as SMPs of the Company w.e.f. 1 April 2026.

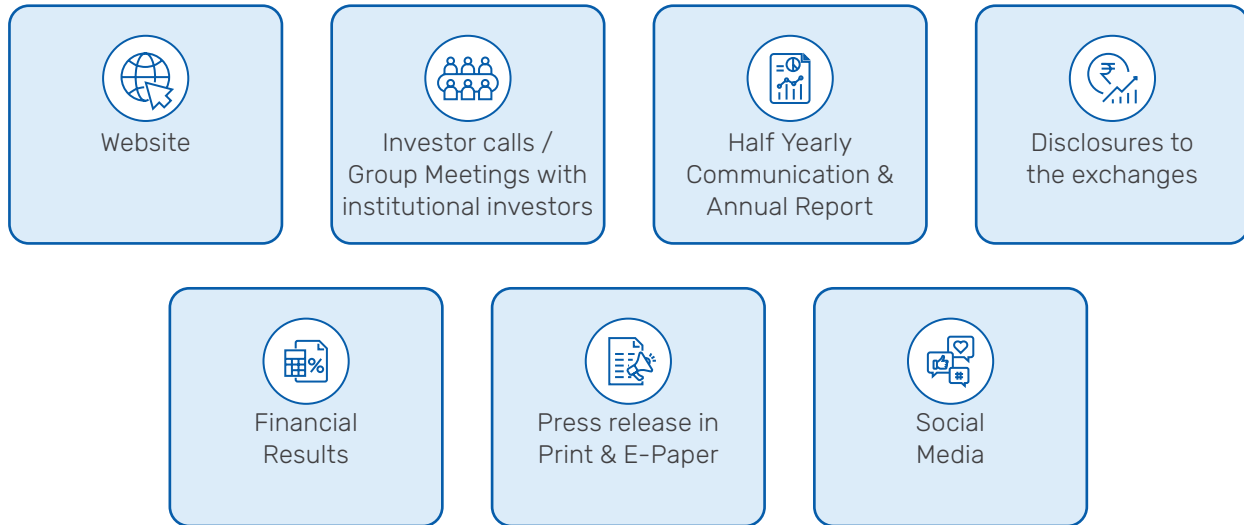
Disclosure of certain types of agreements binding listed entities

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.

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 FY2026.

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.

Information on General Body Meetings and details of Special Resolution(s) passed

A. 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 participated		
			Particulars	% Favour	% Against
17 th AGM	23 July 2025 at 3:45 pm at Hotel Hyatt Regency, Opposite Weikfield IT Citi Info Park, Nagar Road, Viman Nagar, Pune – 411 014	Issue of NCDs through private placement.	All Shareholders	99.991	0.009
			Non-promoter category	99.391	0.609
EGM	19 August 2024 at 5:00 pm	Appointment of S M N Swamy 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 at 5:00 pm	Issue of NCDs through private placement.	All Shareholders	100	0
EGM	6 June 2024 at 5:45 pm	<ul style="list-style-type: none"> Alteration to the Articles of Association (AoA) Increase in the Borrowing Powers of the Company and creation of charge/ security on the Company's asset. Amendment of BHFL ESOP 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 participated		
			Particulars	% Favour	% Against
EGM	24 April 2024 at 5:45 pm	<ul style="list-style-type: none"> Approval of BHFL ESOP 2024. Adoption of 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 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 BHFL ESOP 2024. 	All Shareholders	100	0
15 th AGM	24 July 2023 at 9:05 am	<ul style="list-style-type: none"> Issue of NCDs through Private Placement Alteration of AoA of the Company 	All Shareholders	100	0
EGM	19 May 2023 at 9:30 am	<ul style="list-style-type: none"> Increase in the Borrowing Powers of the Company and creation of charge/ security on the Company's assets Issue of NCDs through Private Placement Appointment of Ms. Jasmine Arish Chaney as the Independent Director Alteration to the Object Clause of the Memorandum of Association. 	All Shareholders	100	0

Note: Annual General Meetings ('AGM') and Extra Ordinary General Meetings ('EGM') other than 17th AGM, 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 FY2026, the Company had sought approval of the members through postal ballot, the details of the same are given below:

I. Postal Ballot notice dated 19 March 2025:

Details of voting:

Sr. No.	Items of special resolution	Voting percentage of shareholders participated		
		Particulars	% Favour	% Against
1.	Approval for continuation of Directorship of Anami N Roy (DIN: 01361110) as an Independent Director beyond the age of 75 years in his current tenure	All shareholders	99.997	0.003
		Non-promoter category	99.832	0.168
2.	Re-appointment of 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	All shareholders	99.533	0.467
		Non-promoter category	74.144	25.856

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.

II. Postal Ballot notice dated 2 February 2026:

Details of voting:

Sr. No.	Items of special resolution	Voting percentage of shareholders participated		
		Particulars	% Favour	% Against
1.	Appointment of Ajay Kumar Choudhary (DIN: 09498080) as an Independent Director for a term of five consecutive years with effect from 1 March 2026	All shareholders	99.996	0.004
		Non-promoter category	99.775	0.225

The Company had appointed Sachin Bhagwat, Practicing Company Secretary (FCS No. 10189, CP No. 6029) 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, a resolution proposed by the Board has been passed with overwhelming majority by the shareholders.

As on the date of this report, there are no special resolutions proposed to be conducted through postal ballot.

C. Procedure for postal ballot

Pursuant to the provisions of the Act, postal ballot notice is dispatched only through electronics means at the registered email addresses of the members. Pursuant to the provisions of the Act, 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, who shall countersign the same and declare the results of voting 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 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.

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 FY2026	1*
Number of complaints disposed of during FY2026	0
Number of complaints pending at the end of FY2026	1

*Received in the last week of March 2026 and disposed of in May 2026.

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:

Sr. No.	Particulars	(₹ in lakh)	
		Mukund M. Chitale & Co	Singhi & Co
1.	Audit Fees	20.85	20.85
2.	Fees for other services*	17.72	12.16

*Excluding out of pocket expenses and applicable taxes.

Details of non-compliance with requirements of Companies Act, 2013

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

There has been no penalty or stricture 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.

However, during FY2024, BSE has levied fine of ₹ 10,000 as per applicable SEBI circular 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.

Details of Penalties and Strictures

During FY2026, no penalties and strictures were imposed by the RBI/NHB or any other statutory authority or regulator.

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 FY2026.

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

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. Shareholder rights

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

2. Modified opinion(s) in audit report

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

3. 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.

Auditors' certificate on Corporate Governance

The Company has obtained a certificate from DVD & Associates, the Secretarial Auditor of the Company regarding compliance with the provisions relating to corporate governance laid down under the SEBI Listing Regulations.

This certificate is annexed to the Directors' Report.

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 2026.

Sd/-
Atul Jain
Managing Director
DIN: 09561712
Pune, 27 April 2026

General Shareholder Information



**Details of Annual
General Meeting**



Service to Shareholders



Distribution of Shareholding



Contact Details

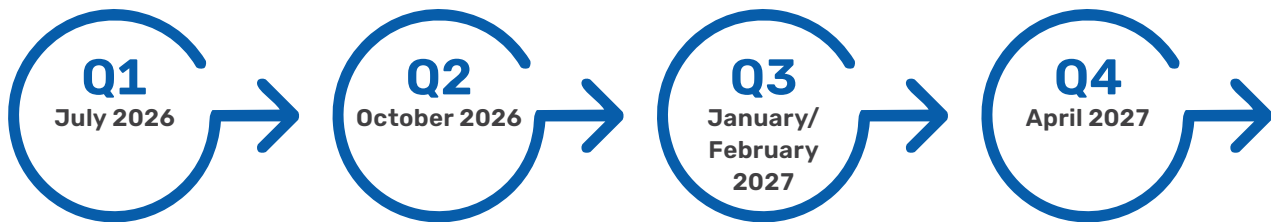
18th Annual General Meeting ('AGM')

Following are the details concerning the upcoming AGM:

Day and date	Wednesday, 29 July 2026
Time	3:45 pm (IST)
Mode of AGM	Through Video Conferencing ('VC')/Other Audio Visual Means ('OAVM')
Deemed venue of the Meeting	Bajaj Auto Limited Complex, Mumbai Pune Road, Akurdi, Pune, 411 035 (Registered Office)
Link to participate through VC	https://emeetings.kfintech.com/
Remote e-voting starts	Saturday, 25 July 2026 9:00 am (IST)
Remote e-voting ends	Tuesday, 28 July 2026 5:00 pm (IST)
Financial Year ('FY')	1 April 2025 to 31 March 2026

Schedule for financial reporting

The indicative months for meetings of Audit Committee and Board of Directors for consideration of quarterly and year to date financials for FY2027 are as follows:



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

Registrar to an Issue and Share Transfer Agent ('RTA')

In terms of Regulation 7 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'SEBI Listing Regulations') KFin Technologies Ltd. ('KFin') is the Registrar to an Issue and Share Transfer Agent and handles all relevant corporate registry services for both equity shares, debentures and commercial papers.

Service to Shareholders

The Company endeavors to offer its best services to the shareholders. The Company has engaged the services of KFin as the Registrar to an Issue and Share Transfer Agent ('RTA') to manage the corporate registry services for the equity shares.

To ensure service delivery and quality across various shareholder requests, the Company interacts with the RTA at multiple levels. Following are few of the many measures undertaken by the Company, for ensuring the same:

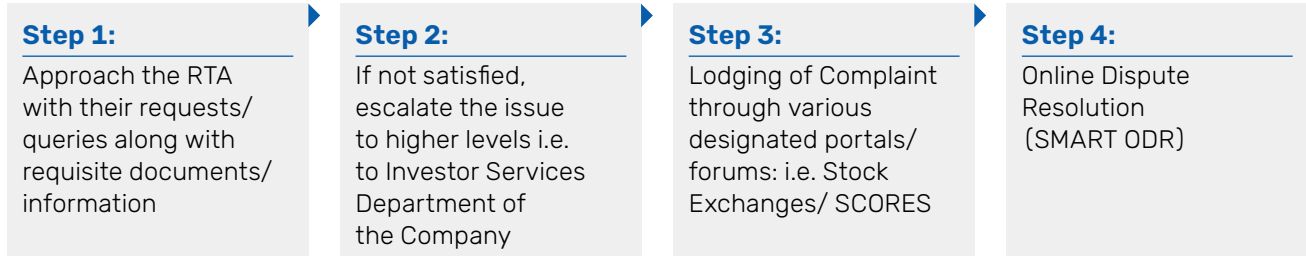
- Defined service timelines which are stricter than prescribed by law;
- Dedicated resources at the RTA for attending to shareholder service;
- Daily monitoring of queries and responses to shareholders for their completeness and adequacy; and
- Imbibing best practices.

Services by KFin are subject to internal audit by the Company. The findings, if any, of the internal audit are discussed by the Audit Committee and acted upon. In addition, Stakeholders' Relationship Committee, reviews the service quality of the processes adopted by the Company and KFin.

All existing investors are encouraged, in their own interest, to provide 'choice of nomination' to ensure smooth transmission of securities held by them.

Securityholders holding securities in physical form shall be eligible for receipt of payment w.r.t interest or redemption as well as to lodge grievance or avail any service request from the RTA even if 'choice of nomination' is not submitted by them, subject to KYC details have been duly updated.

For smooth redressal of grievances, securityholders may follow the below process:



Shareholder Experience Survey

The shareholder experience survey can be accessed at <https://ris.kfintech.com/clientservices/survey/bjfh/>. The survey, *inter alia*, captures feedback on disclosures and navigability of Company's website, process of e-voting, ESG Disclosure, updates to the stock exchanges, annual report contents and service standards of RTA and Company. Shareholders are requested to take a moment to offer their feedback.

Dividend and date of Payment

Board has not recommended any dividend for FY2026 for consideration of the members at the ensuing Annual General Meeting.

Share Transfer System

Transfer of shares in physical form is not permissible. All requests relating to transmission, transposition, etc., are processed by KFin, by effecting direct credit to the claimant/beneficiary account. Dematerialisation and rematerialisation activities are carried out by KFin through its connectivity with national Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL').

Listing Details:

Stock Exchange	Address
BSE Limited ('BSE')	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001
National Stock Exchange of India Limited ('NSE')	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051

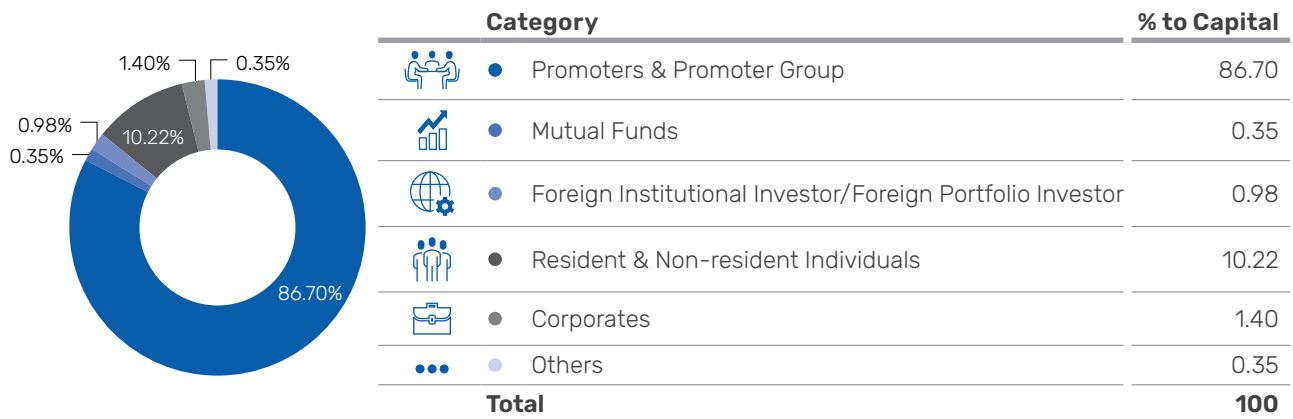
The International Securities Identification Number ('ISIN') for Depositories (NSDL and CDSL) in respect of equity shares is INE377Y01014.

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 2027. The Company has completed all corporate actions within the specified time limits. None of the securities of the Company were suspended from trading during the year on account of corporate actions or otherwise.

Distribution of shareholding

Table 1 gives details about the pattern of shareholding across various categories as on 31 March 2026, while Table 2 gives the data according to size class.

Table 1: Distribution of shareholding across various categories as on 31 March 2026:

Table 2: Distribution of shareholding according to size class as on 31 March 2026:

Category (on folio basis)	No. of Members	% to total Members	No. of shares held	% to total capital
1-5,000	23,95,794	99.29	64,97,52,667	7.80
5,001-10,000	11,054	0.46	7,90,43,036	0.95
10,001-20,000	3,865	0.16	5,41,34,385	0.65
20,001-30,000	976	0.04	2,41,16,482	0.29
30,001-40,000	373	0.02	1,30,19,728	0.16
40,001-50,000	256	0.01	1,17,71,165	0.14
50,001-1,00,000	319	0.01	2,29,08,090	0.27
1,00,001 & above	298	0.01	7,47,75,89,066	89.74
Total	24,12,935	100.00	8,33,23,34,619	100.00

Dematerialisation/Rematerialisation of shares

During FY2026, the Company has not received any remat requests from the shareholders.

Shares held in physical and electronic mode as on 31 March 2026 are shown as below:

Particulars	No. of holders	No. of shares	% to total shareholding
Demat	24,12,933	8,33,23,34,464	100.00
- NSDL	5,08,662	7,74,13,17,573	92.91
- CDSL	19,04,271	59,10,16,891	7.09
Physical	2	155	0.00
Total	24,12,935	8,33,23,34,619	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 FY2026 is shown as below:

Particulars	No. of shares traded	Value of shares (₹)
NSE	83,51,757	88,47,95,358
BSE	9,04,892	9,51,28,033

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 2026 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	1	214
2.	Details of shareholders who approached the Company for transfer of shares from suspense account and to whom shares were transferred from such account during the year	1	214
3.	Details of Unclaimed Securities Suspense Escrow account at the end of the year	-	-

Non-Convertible Debt Securities:

The Company issues listed Non-Convertible Debt Securities ('NCDs') (both secured and unsecured) from time to time to meet its capital requirements. Requisite intimations to the stock exchange and disclosure in annual financial statements, with respect to the extent and nature of security cover created and maintained with respect to the said securities, have been made by the Company.

The Company has made timely payment of interest and repayment of the principal of NCDs to the debenture holders on record dates. Therefore, there is no unpaid interest or redemption amount to be reported.

As per the provisions of the applicable Income Tax Act, the Company deducts applicable Tax Deducted at Source ('TDS') on interest payment to the NCD holders who are entitled to receive the interest on NCD held by them on the record date.

The Company has in place a policy for claiming unclaimed amounts with respect to non-convertible debentures from escrow account. As on 31 March 2026, there are no unclaimed amounts lying with the Company in respect of its listed NCDs. The said policy can be accessed at <https://www.bajajhousingfinance.in/Policy-for-unclaimed-amounts-NCDs.pdf>.

Catalyst Trusteeship Limited acts as debenture trustee to the NCDs raised by the Company.

Outstanding Convertible Instruments/ ADRs/ GDRs/ Warrants

The Company does not have any outstanding convertible instruments/ ADRs/ GDRs/ Warrants as on 31 March 2026.

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 FY2026, the Company retained its credit rating owing to its high capital adequacy, strong growth, 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

Rating Agency	Rating	Long-term Borrowing Programme	Amount (₹ Crore)
CRISIL	AAA / Stable	NCD	64,607.5
		Subordinate Debt	1,000
		Bank Loan	16,000
India Ratings (IND)	AAA / Stable	NCD and Subordinate Debt	25,000
		Bank Loan	65,000

Short-term debt rating and Bank Loan rating

Rating Agency	Rating	Short-term Debt Programme	Programme Size / Details
CRISIL	A1+	Debt Programme	₹ 9,000 crore
		Bank Loan Facilities	Interchangeable within long-term rating amount
India Ratings (IND)	A1+	Debt Programme	₹ 9,000 crore
		Bank Loan Facilities	Interchangeable within long-term rating amount

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

Pursuant to SEBI Circular on Enhanced Governance Norms for Credit Rating Agencies, dated 4 November 2019, the Members of the Audit Committee interacted with credit rating agencies, *inter alia*, to discuss issues on related party transactions, internal financial controls and other material disclosures made by the management, which have a bearing on rating of its listed Non-Convertible Debentures (NCDs).

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

You can reach out to us:

Bajaj Housing Finance Limited



Corporate Office

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



Registered Office

C/o Bajaj Auto Limited Complex, Mumbai Pune Road, Akurdi, Pune, 411 035

(020) 7187 8060

bhfinvestor.service@bajajhousing.co.in

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

KFin Technologies Ltd.



Bajaj Housing Finance Limited

Selenium Building, Tower- B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad, Rangareddy, Telangana – 500 032

Toll Free No.: 1800 309 4001

inward.ris@kfintech.com

Dedicated Investor cell for Senior Citizen: senior.citizen@kfintech.com

Platform: <https://kprism.kfintech.com/signup>

Website: <https://www.kfintech.com>
<https://ris.kfintech.com>

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, Maharashtra
5. Corporate address	5 th Floor, B2, Cerebrum IT Park, Kumar City, Kalyani Nagar, Pune – 411014, 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	2025-2026
10. Name of the Stock Exchange(s) where shares are listed	BSE Limited and National Stock Exchange of India Limited
11. Paid-up Capital	₹ 8,328.66 crore*
12. Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Name and designation Atul Patni of the person Company Secretary Contact Details 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 form 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

*Net of 36,72,613 equity shares of ₹ 10 each held in trust for employees under employee stock option plan scheme.

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	Not applicable	226*	226
International		Nil	Nil

[#] BHFL is not engaged in manufacturing activities and accordingly it does not have any plants.

^{*}Includes corporate office and branches as on 31 March 2026.

Section A

Section B

Section C

19. Markets served by the entity**a. Number of locations**

Location	Number
National (No. of States)	18 States and 2 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

BHFL is one of the largest housing finance companies with diversified mortgage product suite for retail as well as commercial clients. It is focused on building sustainable mortgage business with scalable Balance Sheet and low-risk business Model. The Company's full mortgage product suite spans across:

- Home Loans
- Loans Against Property
- Lease Rental Discounting
- Developer Financing; and
- Others, covering non-collateralised loans.

Under its retail product suite, BHFL caters to all customer types i.e. salaried, self-employed and professional across all customer segments (prime as well as non-prime) by offering all transaction types of purchase, resale, self-construction and balance transfer. The Company covers the entire spectrum of retail mortgage products.

In the commercial product suite, the Company offers Lease Rental Discounting (LRD) on commercial, retail, warehousing and industrial properties to commercial clients spanning across developers, high net worth individuals (HNI) and corporates and its Developer Financing (DF) product covers both residential as well as commercial construction finance offering to real estate developers. This product suite covers the entire spectrum of commercial real estate needs from greenfield assets to stabilized assets.

Prime home loans and LRD are the two anchor products of the Company which deliver scale as well as low risk with higher mix of low-risk salaried customers in home loans portfolio coupled with marquee and good rated customer mix in LRD portfolio spanning across REITs, sovereign wealth funds, large corporates and large commercial developers – all of which enable maintain a lower Gross NPA at the overall level.

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)	2,052	1,917	93.42%	135	6.58%
2.	Other than Permanent (E)*	2,704	2,471	91.38%	233	8.62%
3.	Total employees (D+E)	4,756	4,388	92.26%	368	7.74%
Workers						
4.	Permanent (F)					
5.	Other than Permanent (G)			NA		
6.	Total workers (F+G)					

*Includes fixed term contract employees.

NA: BHFL is engaged in financial services businesses which do 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 (D)	1	1	100%	0	0
2.	Other than Permanent (E)	0	0	0	0	0
3.	Total differently abled employees (D+E)	1	1	100%	0	0
Differently abled Workers						
4.	Permanent (F)					
5.	Other than Permanent (G)			NA		
6.	Total differently abled workers (F+G)					

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

Note: Basis disability certificates voluntarily disclosed by employees.

21. Participation/Inclusion/Representation of women

	Total (A)	No. and percentage of Females	
		No. (B)	% (B / A)
Board of Directors	8	1	12.50%
Key Management Personnel*	3	0	0%

Note: The above information pertains as on 31 March 2026.

*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)

	FY2026			FY2025			FY2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	30%	18%	30%	39%	47%	40%	40%	24%	39%
Permanent Workers	NA	NA	NA	NA	NA	NA	NA	NA	NA

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

Note 1: The turnover rate has been calculated as per the guideline provided by SEBI.

Note 2: The turnover of employees in FY2026 would have been at 28.39% excluding Bajaj Group (Bajaj Holdings & Investment Limited, along with its subsidiaries and associates, including the subsidiaries of its associates) transfer.

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	86.70%	Yes

VI. CSR Details

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

(ii) Turnover for FY2026 (₹ in crore): 11,150.29

(iii) Net Worth* (₹ in crore): 22,527.07

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

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)	FY2026			FY2025		
		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	9	0	Complaints received on SCORES portal of Company and Registrar to an issue and Share transfer agent (KFin)	368	2	All pending complaints have been resolved in FY2026.
Investors (other than shareholders)	Yes				Nil		
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				Nil		
Communities	Yes				Nil		
Others					NA		

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

Sr. No	Material issue identified	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
1	Risk Management	Opportunity	A strong risk management framework helps BHFL identify, assess, and respond to credit, market, and operational risks early. This improves decision-making, protects assets, and ensures long-term stability in a dynamic financial environment.		Positive

Sr. No	Material issue identified	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
2	Regulatory Compliance and Transparency	Risk	BHFL operates in a highly regulated financial sector where compliance with RBI and other regulatory bodies is critical. Non-compliance can lead to penalties, legal issues, and loss of stakeholder trust. Transparency also strengthens credibility with investors and customers.	BHFL is committed to complying with all applicable laws, regulations, and guidelines set by regulatory authorities, prioritises the protection of its customers' interests and data. BHFL has dedicated Chief Compliance Officer (CCO) and robust compliance unit, ensures that under the CCO's supervision the compliance function identifies and assesses compliance risks, provides guidance on related matters, and conducts compliance monitoring viz testing of products before and after launch across the organisation.	Negative
3	Corporate Governance	Opportunity	Strong governance ensures clear roles, accountability, and ethical decision-making at all levels. It builds investor confidence and supports sustainable growth through better oversight and control mechanisms.		Positive
4	Business Ethics	Opportunity	Ethical behavior in lending, collections, and operations helps build long-term trust with customers, regulators, and partners. It reduces the risk of misconduct and supports a responsible business culture.		Positive
5	Data Privacy and Security	Risk	BHFL handles sensitive customer financial data, making it a key target for cyber threats. Any data breach can result in financial loss, regulatory penalties, and damage to customer trust.	<ul style="list-style-type: none"> • Institutionalised cyber-security policy to protect its information infrastructure on the internet, prevent and respond to cyber threats; reduce vulnerabilities; and minimise damage from cyber incidents. • Strong governance process with executive and Board oversight. • Preparedness for response to incidents. • Cyber Threats Awareness programmes and training. • Led by a strong commitment to protecting the privacy of personal data. • Formulated a well structured Data Privacy Policy. 	Negative

Section A

Section B

Section C

Sr. No	Material issue identified	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
6	Marketing and Selling Practices	Opportunity	Transparent and responsible marketing ensures customers clearly understand financial products, reducing mis-selling risks and improving customer satisfaction and retention.		Positive
7	Brand and Reputation Management	Opportunity	In financial services, trust is critical. A strong reputation helps attract customers, retain clients, and maintain investor confidence, especially during market uncertainties.		Positive
8	Customer Relationship Management	Opportunity	Effective CRM systems and service practices help BHFL understand customer needs, improve engagement, and increase retention through personalized services.		Positive
9	Human Capital Development	Opportunity	Continuous training and upskilling ensure employees stay updated with financial products, regulations, and digital tools, improving productivity and service quality.		Positive
10	Financial Inclusion	Opportunity	Expanding access to finance for underserved segments supports inclusive growth while opening new markets and customer segments for BHFL.		Positive
11	Employee Health, Safety and Well-Being	Opportunity	Ensuring employee well-being leads to higher engagement, lower attrition, and better performance, especially in high-pressure financial roles.		Positive
12	Community Relations and Well-Being	Opportunity	Engaging with communities builds goodwill and strengthens BHFL's social license to operate, especially in emerging, semi-urban and rural markets.		Positive
13	Product Innovation and Digitization	Opportunity	Digital transformation helps BHFL offer faster, more efficient, and customer-friendly services while reducing operational costs and improving scalability.		Positive
14	Human Rights	Opportunity	Respecting human rights across operations and the value chain ensures fair treatment and aligns with global ESG expectations, reducing reputational risks.		Positive
15	Ethical Collection and Recovery Practices	Opportunity	Fair and respectful recovery practices reduce customer disputes, legal risks, and reputational damage while maintaining healthy customer relationships.		Positive
16	Operational Eco-efficiency	Opportunity	Efficient use of energy, paper, and other resources helps reduce costs and supports BHFL's sustainability goals.		Positive

Sr. No	Material issue identified	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
17	Sustainable Finance	Opportunity	Offering green and sustainable financial products aligns with global trends and attracts ESG-focused investors and customers.		Positive
18	Energy and Emissions	Opportunity	Managing energy use and emissions helps BHFL meet regulatory expectations and reduce operational costs over time.		Positive
19	Vendor Oversight	Risk	BHFL depends on third-party vendors for IT, operations, and services. Inadequate vendor controls can lead to data breaches, service disruptions, or compliance failures.	The Company classify vendors based on materiality and risk (critical, high, medium, low) and apply enhanced monitoring for high risk vendors. BHFL incorporated clear contractual clauses in the agreement related to compliance with laws, ESG requirements, data protection, confidentiality, and termination rights in case of non compliance.	Negative
20	Diversity & Inclusion	Opportunity	A diverse workforce brings varied perspectives, improving decision-making, innovation, and overall organisational culture.		Positive
21	Climate Risk & Strategy	Risk	Exposure to climate-related risks (like extreme weather or regulatory changes) can affect loan portfolios and asset quality.	The Company, as a responsible corporate citizen, is conscious of the direct and indirect impact of its operations on the environment and is committed to reducing any negative impact on the natural environment and climate change by integrating sound environmental practices and effective governance systems into its day-to-day operations to minimise environmental impact	Negative

Note: For details on the performance metrics and initiatives aligned with the material topics, please refer to materiality assessment topic in Stakeholders' Engagement section of [ESG Report FY2026](#).

SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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. BHFL 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)	Yes, BHFL 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 Supplier's Code of Conduct which extends to its value chain partners. For this purpose, the Board of BHFL has approved various policies such as 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 & various regulatory requirements and through appropriate consultation with relevant stakeholders. Moreover, BHFL is compliant with ISO 27001: 2022 Information security management system. Additionally, the Company's Corporate office is compliant with ISO 14001 (EMS) and 45001 (OHSMS).								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	BHFL commitments for FY2027: <ul style="list-style-type: none"> Building a tree plantation portfolio. Distribution of improved cookstoves in phases to foster clean energy access. Water and Waste Management at 10 additional locations. Value Chain Partner assessment. 10 New Branches to be opened for Near Prime and Affordable segment. 								
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 FY2026: <ul style="list-style-type: none"> BHFL planted more than 15,000 saplings during FY2026. As a part of Pure Life initiative, Laughter Yoga sessions conducted at top 9 branches and Zumba sessions conducted at top 11 branches. Implemented Environment Health and Safety (EHS) policy. ISO 14001 (Environmental Management System) and ISO 45001 (Occupational Health and Safety Management System) certifications received for Corporate Office. Distributed 1170 cookstoves during FY2026 to foster clean energy access. 								
Note: Detailed list of policies is provided in Annexure-1									
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' of 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								

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
9. Does the entity have a specified Committee of the Board/Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	<p>Yes.</p> <p>BHFL 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.</p> <p>The Company's business responsibility performance is reviewed by the Board of Directors at least on an annual basis. During the year, the Board of Directors were updated on the sustainable and responsive business conduct initiatives across the Company.</p> <p>In addition, the Board level Risk Management Committee also assesses internal/external risks pertaining to sustainability as identified.</p>								

10. Details of Review of 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/Placed before the Board of Directors, as and when required.. 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	BHFL 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)	As the answer to question (1) above is 'Yes', this question is not applicable.								
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									
Any other reason (please specify)									

P1 SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

P2 PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner
P3 that is Ethical, Transparent and Accountable

P4 Essential Indicators

P5 1. Percentage coverage by training and awareness programmes on any of the principles during the
P6 financial year

Segment	Total number of training and awareness programmes held	Topics/principles covered under the training and its impact	%age of persons in respective category covered by awareness programmes
Board of Directors Key Managerial Personnel	2	On an ongoing basis, BHFL 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, information technology including cyber security, their roles, rights and responsibilities and significant developments and updates within 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. Impact: Ensure Directors and KMPs stay abreast of various developments, regulatory updates/changes, and other requisite familiarisation programmes. This empowers and fosters a more informed and strategic contribution.	100%
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 awareness programs are carried out through emails, posters/banners (physical and digital) and other modes of internal communication. Such training/awareness programs are on an array of topics including Information Security, Business Continuity Management System & Data Privacy, Cyber security Awareness, Anti Money Laundering and KYC, Dealing with BFS Securities, Code of Ethics & Personal Conduct (CoEPC) , Prevention of Sexual Harassment , Vigil Mechanism / Whistle Blower Policy , Mind Your Behaviour (MYB), Environment & Social Governance (ESG), Employee Safety - First Aid and Fire Training, Digital Media Privacy & Security, Digital Media, Interaction with Differently Abled and Human Rights. 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 Compounding fee		Nil			
Non-Monetary					
NGRBC Principle	Name of the regulatory/enforcement agencies/judicial institutions	Brief of the Case		Has an appeal been preferred? (Yes/No)	
Imprisonment Punishment		Nil			

P1

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

P2

P3

P4

P5

P6

P7

P8

P9

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

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy

Yes, BHFL prohibits bribery and corruption in any form across all its business dealings through its [Anti-bribery and Anti-corruption Policy](#). This Policy adopted at BHFL reflects our commitment to maintain the highest ethical standards while fostering an open and fair business culture, adhering to best practices of corporate governance, and enhancing the Company's reputation at all levels.

The objective of this Policy is to ensure that neither BHFL nor its employees, third parties, or other stakeholders engage in any acts of bribery or corruption in the discharge of their official duties towards the Company, whether in their own name or on behalf of the Company. The Policy covers aspects related to bribes, acceptance of favors and gifts, charitable contributions, political contributions, conflicts of interest, and interactions with government authorities and regulators, among others. It further reflects our dedication to operating in an open, fair, and accountable manner.

Some of these policies, codes and charters are available on Company's website: <https://www.bajajhousingfinance.in/policies-and-documents>

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

	FY2026	FY2025
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

	FY2026		FY2025	
	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

	FY2026	FY2025
Number of days of accounts payables	35.18	25.05

P1

9. Open-ness of business

Provide details of concentration of purchases and sales with trading houses, dealers, and related parties along-with loans and advances & investments, with related parties, in the following format

P2

P3

P4

P5

P6

P7

P8

P9

Parameter	Metrics	FY2026	FY2025
Concentration of Purchases	a. Purchases from trading houses as % of total purchases	Nil	Nil
	b. Number of trading houses where purchases are made from	Nil	Nil
	c. Purchases from top 10 trading houses as % of total purchases from trading houses	Nil	Nil
Concentration of sales	a. Sales to dealers/distributors as % of total sales	Nil	Nil
	b. Number of dealers/distributors to whom sales are made	Nil	Nil
	c. Sales to top 10 dealers/distributors as % of total sales to dealers/distributors	Nil	Nil
Share of RPTs In	a. Purchases (Purchases with related parties/Total Purchases)	4.70%	5.00%
	b. Sales (Sales to related parties/Total Sales)	0.83%	1.13%
	c. Loans & advances (Loans & advances given to related parties/Total loans & advances)	0.01%	0.00%
	d. Investments (Investments in related parties/Total Investments made)	Nil	Nil

Note: BHFL has a committed line of credit of ₹ 2,500 crore from Bajaj Finance Limited (Holding Company).

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:		

Note:

- BHFL strives to influence its value chain partners to participate in 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 policy for its Debt Recovery Agents (DRA), Direct Marketing Agents (DMA) and Direct Selling Agents (DSA). BHFL has made CoC acceptance and acknowledgement mandatory for all agents and agencies for accessing our Mobility App.
- 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 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 76%. As on 31 March 2026, 62 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.
- BHFL has incorporated ESG-linked commitments into vendor contracts.

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

P1
P2

P3
P4
P5
P6
P7
P8
P9

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.
- BHFL has a separate [Code of Conduct \('CoC'\) for Directors and Senior Management](#) which provides that 'Directors and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement'. The said CoC requires them 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 2026. 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 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 <https://www.bajajhousingfinance.in/policies-and-documents>.

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

	FY2026	FY2025	Details of improvements in environmental and social impacts
R&D	-	-	Please refer the below note
Capex	35%	38%	

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 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.

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 nature of its business, the Company does not offer physical products in the normal course of operations; accordingly, product reclamation is not applicable.

P1
P2
P3
P4
P5
P6
P7
P8
P9

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 business operations of BHFL, the same is not applicable.

Leadership Indicators

1. Has the entity conducted Life Cycle Perspective/Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format

NIC Code	Name of Product/ Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective/ Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web-link.
----------	--------------------------	---------------------------------	---	---	--

Given the business operations of BHFL, there are no material 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	
	FY2026	FY2025
	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

	FY2026			FY2025		
	Re-Used	Recycled	Safely Disposed	Re-Used	Recycled	Safely Disposed
E-waste	0	0	1.27	0	0	0
Plastics (including packaging)	0	0	1.75	0	0	0
Hazardous Waste	0	0	1.51	0	0	0
Non-hazardous	0	0	6.38	0	0	0
Other waste (battery waste)	0	0	0.45	0	0	6.25

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.

P1 **PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including**
P2 **those in their value chains**

P3 **Essential Indicators**

P4 **1. a. Details of measures for the well-being of employees**

P5

P6

P7

P8

P9

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	1,917	1,917	100%	1,917	100%	NA	NA	1,917	100%	1,917	100%
Female	135	135	100%	135	100%	135	100%	NA	NA	135	100%
Total	2,052	2,052	100%	2,052	100%	135	100%	1,917	100%	2,052	100%
Other than permanent employees											
Male	2,471	2,471	100%	2,471	100%	NA	NA	Nil	Nil	Nil	Nil
Female	233	233	100%	233	100%	233	100%	NA	NA	Nil	Nil
Total	2,704	2,704	100%	2,704	100%	233	100%	Nil	Nil	Nil	Nil

*The female/male employees can avail maternity/paternity leave as per extant instructions in line with Government of India guidelines.

#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

	FY2026*	FY2025
Cost incurred on well-being measures as a % of total revenue of the Company	0.04%	0.04%

*Includes Maternity and paternity benefits.

2. Details of retirement benefits, for Current FY and Previous Financial Year

Benefits	FY2026			FY2025		
	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: The above 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.

P1
P2
P3
P4
P5
P6
P7
P8
P9

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 as 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 policies 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: <https://www.bajajhousingfinance.in/policies-and-documents>

5. Return to work and Retention rates of permanent employees and workers that took parental leave

Gender	Permanent employees		Permanent Workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	100%	76%		
Female	100%	29%	NA	
Total	100%	71%		

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 Action Policy (DAP) 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' 'Mind Your Behaviour' 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 mail ID for employees to report their concerns.</p>

	Yes/No (If yes, then give details of the mechanism in brief)
P1	
P2	Other than Permanent Employees
P3	Yes. BHFL strives to create a culture which is fair, open, and transparent and where employees can openly present their views.
P4	BHFL has a Board approved Disciplinary actions and grievance redressal policy (Policy and Process Document) for Fixed Term Contract Employees (FTCs) 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.
P5	BHFL has 'Code of Ethics and Personal Conduct' (CoEPC) 'Vigil Mechanism / Whistle Blower Policy' and 'Prevention of sexual harassment at workplace (Prevention, Prohibition & Redressal)' framework serving as grievance mechanisms for its employees to report or raise their concerns confidentially and anonymously, and without fear of any retaliation.
P6	
P7	
P8	
P9	
	Permanent Workers
	Other than Permanent Workers
	NA

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

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity

Category	FY2026			FY2025		
	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	BHFL 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	FY2026					FY2025				
	Total (A)	On Health and safety measures		On Skill upgradation		Total (D)	On Health and safety measures		On Skill upgradation	
	No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)	
Employees										
Male	4,388	4,388	100%	2,911	66%	1,844	1,844	100%	631	34%
Female	368	368	100%	211	57%	133	133	100%	108	81%
Total	4,756	4,756	100%	3,122	66%	1,977	1,977	100%	739	37%
Workers										
Male										
Female	NA									
Total										

Note 1: This dataset does not includes training provided to employees who left the firm during FY2026.

Note 2: Data for FY2025 pertains to Permanent employees while data for FY2026 includes both Permanent and Other than Permanent employees.

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

P1 **9. Details of performance and career development reviews of employees and worker**

P2 P3 Category	FY2026			FY2025		
	Total (A)*	No. (B)	% (B / A)	Total (C)*	No. (D)	% (D / C)
P4	Employees					
P5 Male	2,775	2,775	100%	1,688	1,688	100%
P6 Female	247	247	100%	122	122	100%
P7 Total	3,022	3,022	100%	1,810	1,810	100%
P8	Workers					
P9 Male						
Female						NA
Total						

Note: Data for FY2025 pertains to Permanent employees while data for FY2026 includes both Permanent and Other than Permanent employees.

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.

10. Health and safety management system

a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage such system?

Yes. BHFL has implemented occupational health and safety management system (ISO 45001:2018) for our corporate office.

Through its 'Employee Health and Safety Manual' and EHS Policy, BHFL is committed to provide a safe and healthy workplace to its employees by minimising the risk of accidents, injury and exposure to health risks and it complies with applicable laws and regulations with respect to safety at workplace.

The Company trains its employees on safety protocols by conducting periodic trainings on fire safety and evacuation drills for employees. Corporate offices and branch offices are assessed in regards with the electrical systems safety, fire safety, building stability, working conditions, emergency exits, hygiene and sanitation, ventilation, first aid box etc. BHFL has nominated fire marshals at selected locations and has a dedicated healthcare centre for corporate office employees. Physical and mental well-being of the employees is at the core of BHFL's human resource practices. BHFL sends periodic internal communication and alerts to employees and conducts various awareness sessions on health and safety related aspects.

For more information, please refer to Human Capital Management section of ESG Report: - <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 (Y/N)

Yes. BHFL is engaged in financial services businesses which do not require services of workers. For its employees, BHFL has a dedicated HR Care helpline portal for its employees which is available 24*7. 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/No)

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 at <https://www.bajajhousingfinance.in/annual-reports>

P1 **11. Details of safety related incidents, in the following format**

P2	Safety Incident/Number	Category	FY2026	FY2025
P3	Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees*	Nil	Nil
P4		Workers	NA	NA
P5	Total recordable work-related injuries	Employees*	Nil	Nil
P6		Workers	NA	NA
P7	No. of fatalities	Employees*	Nil	Nil
P8		Workers	NA	NA
P9	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

	FY2026			FY2025		
	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						
Health & Safety						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	
Working Conditions	Please refer the note below

Note: BHFL strives to keep the workplace environment safe, hygienic, and humane, upholding the dignity of the employees. Selected 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 BHFL 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 (Y/N) (B) Workers (Y/N)

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 at <https://www.bajajhousingfinance.in/annual-reports>

B. Workers - NA, BHFL is engaged in financial services businesses which do not require services of workers.

P1
P2
P3
P4
P5
P6
P7
P8
P9

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/assessment 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	
	FY2026	FY2025	FY2026	FY2025
Employees	Nil	Nil	Nil	Nil
Workers	NA	NA	NA	NA

Note: BHFL is 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/No)

Yes, BHFL has retirement policy which aims to define terms of retirement for employees and the 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.

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 just, fair, equitable and consistent manner and where warranted takes corrective measures.

BHFL also engages with relevant stakeholders for enhancing sustainable and responsible business practices.

P1
P2
P3
P4
P5
P6
P7
P8
P9

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 - <ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • Annual and quarterly • Need-based 	To inform about the performance, major developments ESG initiative and other relevant updates regarding BHFL.
Customer	No	Multiple channels including: <ul style="list-style-type: none"> • Customer satisfaction surveys • Customer feedback • Regular interaction with customers • Customer helpline • Customer grievance cell • Social Media channels • Email/SMS • Website/App 	<ul style="list-style-type: none"> • 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.
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 associates for improvement of housing finance industry in India.
Employees	No	Multiple channels including: <ul style="list-style-type: none"> • ESAT survey • Human Resources Contact Centre (HRCC) • HR pulse assessments • Townhall- Confluence • Performance appraisals, Rewards and recognition • Trainings, Awareness, Emails • 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, policies and awareness.
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.
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"> • On-going • Need based 	To promote social welfare activities for inclusive growth, fair and equitable development, and well-being of society through our business functioning.

P1 **Leadership Indicators**

P2 **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**

P3
P4
P5

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.

P6 Engagement with stakeholders is a continuous process, as part of BHFL business activities.

P7 Such engagement is generally driven by the responsible business functions, with senior executives also participating based on the need of the engagement.

P8 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, including 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

P9 As a matter of full transparency, BHFL communicates key strategies of its Long-Range Strategy which is a 5-year rolling plan with various stakeholders through Investor Presentations, Annual Report and Annual General Meeting presentation.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity

Yes. The Company personnel interact with key stakeholders to understand the evolution and relevance of ESG topics, its impact, and expectations from the Company. Based on such interactions, Over the last few years BHFL has, enhanced it’s 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 on such interactions.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/marginalized stakeholder groups

BHFL provides several benefits to women employees relating to safety, cab facility, travel policy, flexible working hours, preferential transfer policy, maternity-linked benefits, crèche benefits, etc.

We are committed to equal employment opportunities and strictly prohibit discrimination based on age, sex, disability, and other personal characteristics BHFL through their CSR policies have taken up various initiatives and activities for the benefit of different segments of the society, with focus on the marginalised, poor, needy, deprived, under-privileged and differently abled persons. With the guidance of our Board-governed [Corporate Social Responsibility \(CSR\)](#) policy, BHFL remains committed to creating value for marginalised 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	FY2026			FY2025		
	Total (A)	No. of employees / workers covered (B)	% (B/A)	Total (C)	No. of employees / workers covered (D)	% (D/C)
Employees						
Permanent	2,052	1,473	72%	1,977	1,977	100%
Other than Permanent	2,704	1,064	39%		Nil	
Workers						
Permanent						
Other than Permanent						NA

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

P1
P2
P3
P4
P5
P6
P7
P8
P9

Note: Any employee who works in BHFL must adhere to its commitment to integrity and ensure the principles laid down in 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 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	FY2026					FY2025				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
Permanent Employees										
Male	1,917	0	0	1,917	100%	1,844	0	0	1,844	100%
Female	135	0	0	135	100%	133	0	0	133	100%
Other than Permanent Employees										
Male	2,471	0	0	2,471	100%	Nil				
Female	233	0	0	233	100%					
Permanent Workers										
Male	NA									
Female	NA									
Other than Permanent Workers										
Male	NA									
Female	NA									

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

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	17.80	0	0
BOD-non-executive Directors*	6	0.62	1	0.82
Key Managerial Personnel *	2	1.72	0	0
Employees other than BoD and KMP	2,478	0.12	161	0.10
Workers	NA			

Remuneration excluding perquisite value as per Income Tax Act, 1961, fair value of ESOPs granted as per black scholes model by the Company for FY2026 and Ex Gratia payouts.

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

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

[#] Atul Jain, MD who is also a KMP has been considered in BOD-Executive Director.

+Data pertains to Permanent employees

b. Gross wages paid to females as % of total wages paid by the entity, in the following format

	FY2026	FY2025
Gross wages paid to females as % of total wages	4.39%	5.98%

P1
P2
P3
P4
P5
P6
P7
P8
P9

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 \(Policy and Process Document\)](#), [Whistle Blower and 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, BHFL has dedicated channels such as HR Pulse & SAMPARK 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 \(Policy and Process Document\)](#) 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. As a matter of policy, BHFL does not hire any employee or engage with any agent or vendor against their free will.

6. Number of Complaints on the following made by employees and workers

	FY2026			FY2025		
	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	1	1		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	

Note: To prevent and address POSH cases, the Company conducted mandatory training for all employees.

7. Complaints filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, in the following format

	FY2026	FY2025
Total Complaints reported under Sexual Harassment on of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 (POSH)	1	0
Complaints on POSH as a % of female employees/workers	0.40%	0%
Complaints on POSH upheld	1	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 Action](#),

P1
P2
P3
P4
P5
P6
P7
P8
P9

[Whistle Blower and Vigil Mechanism 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 emphasises 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 assesses its offices for compliance with applicable labour laws and human rights standards, including child labour, forced or involuntary labour, prevention of sexual harassment, non-discrimination, and fair wage practices. The organisation conducts its operations responsibly, promoting mutual respect, equal opportunity, occupational health and safety, and ethical employment practices through periodic training and communication for employees and relevant stakeholders.
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.

Leadership Indicators

1. Details of a business process being modified/introduced as a result of addressing human rights grievances/complaints.

There have been no significant human rights grievances/complaints warranting modification/introduction of business processes. However, we have instituted [Suppliers' Code of Conduct](#), [CoEPC](#), [Employee Charter - Human Rights Policy](#) that outlines our commitment to Human Rights.

2. Details of the scope and coverage of any Human rights due diligence conducted.

BHFL has a robust mechanism to track human rights related queries and grievances raised by the 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 BHFL 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

P1 lifecycle of the customer interactions and made available all possible customer requests, such as, soft copy
 P2 of agreements, repayment schedules, yearly interest certificates, statements of accounts, loan closure
 P3 and no dues certificates, release of hypothecation and mortgages, etc., in a digital mode. These service
 P4 requests being fulfilled digitally obviate the need for customer visits to BHFL offices.

P5 4. Details on assessment of value chain partners

P6	% of value chain partners (by value of business done with such partners) that were assessed
P7 Sexual Harassment	
P8 Discrimination at workplace	
P9 Child Labour	Please refer note below
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. Basis the assessment, audit findings are classified as satisfactory, critical, non-critical and improvement opportunity.

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	FY2026	FY2025
From Renewable sources			
Total electricity consumption (A)	Gigajoules	0	0
Total fuel consumption (B)	Gigajoules	0	0
Energy consumption through other sources (C)	Gigajoules	0	0
Total energy consumption from renewable sources (A+B+C)	Gigajoules	0	0
From non - renewable sources			
Total electricity consumption (D)	Gigajoules	10,370.37	10,528.78
Total fuel consumption (E)	Gigajoules	5,371.83	2,679.58
Energy consumption through other sources (F)	Gigajoules	0	0
Total energy consumption from non-renewable sources (D+E+F)	Gigajoules	15,742.20	13,208.35
Total energy consumed (A+B+C+D+E+F)	Gigajoules	15,742.20	13,208.35
Energy intensity per rupee of turnover (Total energy consumed/Revenue from operations)	Per crore of Total Revenue from Operations	1.41	1.38
Energy intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total energy consumed/Revenue from operations adjusted for PPP)	Per crore of Total Revenue from Operations adjusted for PPP	28.72	28.50
Energy intensity in terms of physical output		0	0
Energy intensity (optional) – (Total energy consumption/total loan portfolio)		0.13	0.13

Note: For the purpose of calculation of intensity, conversion factor of 20.34 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2026.

P1
P2
P3
P4
P5
P6
P7
P8
P9

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. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2026.

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

Given the nature of business of BHFL, the same is not applicable.

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY2026	FY2025
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)	37,760	24, 376
Water intensity per rupee of turnover (Total water consumption/Revenue from operations)	3.39	3.00
Water intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total water consumption/Revenue from operations adjusted for PPP)	68.88	52.59
Water intensity in terms of physical output	-	-
Water intensity (optional) - (Total water consumption/total loan portfolio)	0.31	0.24

Notes-

- 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 a.
- For the purpose of calculation of intensity, conversion factor of 20.34 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2026.

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. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2026.

4. Provide the following details related to water discharged

Parameter	FY2026	FY2025
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.

P1
P2
P3
P4
P5
P6
P7
P8
P9

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. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2026.

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	FY2026	FY2025
NOx			
SOx			
Particulate matter (PM)			
Persistent organic pollutants (POP)	Please refer to the note below		
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

Yes. An independent limited assurance has been carried out by SGS India Private Limited for FY2026.

7. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format

Parameter	Unit	FY2026	FY2025
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	374.82	205.83
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	2,072.08	2,160.11
Total Scope 1 and Scope 2 emissions intensity per rupee of turnover (Total Scope 1 and Scope 2 GHG emissions/ Revenue from operations)	Per crore of Total Revenue from operations	0.22	0.25
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	4.46	5.10
Total Scope 1 and Scope 2 emission intensity in terms of physical output	-	-	-
Total Scope 1 and Scope 2 emission intensity (Total energy consumption/total loan portfolio)		0.02	0.02

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. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2026.

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:

- Reducing Paper Consumption: It has been an endeavour of BHFL over last many years to keep reducing paper consumption across all its business operations.
- BHFL has planted more than 25,000 saplings till date.

P1 **9. Provide details related to waste management by the entity, in the following format**

	FY2026 (in metric tonnes)	FY2025 (in metric tonnes)
Parameter		
Total waste generated (in metric tonnes)		
P2 Plastic waste (A)	1.75	-
P3 E-waste (B)	1.27	-
P4 Bio-medical waste (C)	1.51	-
P5 Construction and demolition waste (D)	0	-
P6 Battery waste (E)	0.45	6.25
P7 Radioactive waste (F)	0	-
P8 Other Hazardous waste. Please specify, if any (G)	-	-
P9 Other Non-hazardous waste generated (H). Please specify if any (Break-up by composition i.e. by materials relevant to the sector)	6.38	-
Total (A+B+C+D+E+F+G+H)	11.36	6.25
Waste intensity per rupee of turnover (Total waste generated/Revenue from operations)	0.00	0.00
Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP) (Total waste generated/Revenue from operations adjusted for PPP)	0.02	0
Waste intensity in terms of physical output	-	-
Waste intensity (optional) – the relevant metric may be selected by the entity	-	-
For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)		
Category of waste	-	-
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) other recovery operations	1.72	6.25
Total	1.72	6.25
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	9.64	0.00
Total	9.64	0.00

For the purpose of calculation of intensity, conversion factor of 20.34 INR/USD has been considered for adjusted purchasing power parity (PPP) as per International Monetary Fund (IMF) FY2026.

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. An independent reasonable assurance has been carried out by SGS India Private Limited for FY2026.

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 BHFL. BHFL has system in place to manage E-waste, Battery waste and engages with certified waste handlers for disposal. During FY2026, a total of 11.36 metric tonnes of waste generated across these categories (as detailed in Q9 above) was handed over to authorized vendors for safe disposal

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
		NA	

P1
P2
P3
P4
P5
P6
P7
P8
P9

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					

13. Is the entity compliant with the applicable environmental law/regulations/guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment protection act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format

S. No.	Specify the law/regulation/ guidelines which was not complied with	Provide details of the non-compliance	Any fines/penalties/action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken if any
	BHFL is in compliance with all relevant environmental norms applicable to the nature of its business.			

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	FY2026	FY2025
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

P1
P2
P3
P4
P5
P6
P7
P8
P9

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. An independent limited assurance has been carried out by SGS India Private Limited for FY2026.

2. Please provide details of total Scope 3 emissions & its intensity, in the following format

Parameter	Unit	FY2026	FY2025
Total Scope 3 emissions (Break-up of the GHG into CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs, SF ₆ , NF ₃ , if available)	Metric tonnes of CO ₂ equivalent	3,781.01	1,406.85
Total Scope 3 emissions per crore of total revenue from operations	Per crore of Total Income	0.34	0.15
Total Scope 3 emission intensity (optional) – (Total energy consumption/total loan portfolio)	Per Crore of Total Loan Portfolio	-	-

Note: BHFL Scope 3 emissions increased due to expanded reporting boundaries, including the addition of capital goods and employee commuting, along with the inclusion of personal car usage under business travel in FY2026

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. An independent limited assurance has been carried out by SGS India Private Limited for FY2026.

3. With respect to the ecologically sensitive areas reported at Question 11 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
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 15,000 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 36 lakhs sheets of paper	Saved approximately 432 trees in FY2026.
3	Recycle/Safe disposal of battery waste	Safe disposal through authorized vendors	BHFL has safely disposed of 1.72 tonnes of battery waste and e-waste in FY2026.

5. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link

Yes. BHFL 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. It also includes Disaster Recovery (DR) procedures to quickly recover from an emergency. Annual BCP and DR drills are conducted to ensure that they are effective under the present business processes, infrastructure, personnel, etc.

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. Further, BHFL periodically creates awareness amongst value chain partners about importance of environment.

P1
P2
P3
P4
P5
P6
P7
P8
P9

7. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts

Currently, we do not assess environmental impacts of our value-chain partners. However, we encourage our value-chain partners to proactively align their business operations to environmental best-practices.

8. How many Green Credits have been generated or procured

- a. By the listed entity - Nil
- b. By the top ten (in terms of value of purchases and sales, respectively) value chain partners - Not Assessed

PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent

Essential Indicators

1. a. Number of affiliations with trade and industry chambers/associations

- b. List the top 10 trade and industry chambers/associations (determined based on the total members of such body) the entity is a member of/affiliated to**

Sr. No.	Name of the trade and industry chambers	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 concern.

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					

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 2026
NA						

P1
P2
P3
P4
P5
P6
P8
P9

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

Parameter	FY2026	FY2025
Directly sourced from MSMEs/small producers	6.71%	7.52%
Directly from within India	99.98%	99.73%

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	FY2026	FY2025
Rural	0.04%	0.03%
Semi-urban	0.68%	0.95%
Urban	12.24%	11.78%
Metropolitan	87.04%	87.24%

Note 1: Locations are categorised as per RBI Classification System - rural/semi-urban/urban/metropolitan.

Note 2: Above data pertains to Permanent employees.

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	(₹ in Crore)
1	Andhra Pradesh	Visakhapatnam	0.03
2	Rajasthan	Sirohi (Abu Road & Pindwara)	0.33
3	Bihar	Purnia	0.07
4	Maharashtra	Nandurbar	0.45
5	Bihar	Khagaria	0.05
6	Bihar	Katihar	0.07
7	Bihar	Gaya	0.08
8	Bihar	Begusarai	0.08
9	Bihar	Banka	0.22
10	Bihar	Aurangabad	0.06
11	Bihar	Araria	0.07

*The amount mentioned is for the project which runs for a span of period as per the agreed terms.

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

Section A

Section B

Section C

P1
P2
P3
P4
P5
P6
P7

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge

S. No.	Intellectual Property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
				NA

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved

Name of authority	Brief of the Case	Corrective action taken
		No corrective actions pertaining to above mentioned parameters was necessitated by BHFL during the year under review.

P8
P9

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.	Youth - Skilling for employment	16,020	Please refer note below
2.	Youth - Skilling for enterprise/Self-employment	30,000	
3.	Youth - PWD - Skilling	168	
4.	Child - Education	42,810	
5.	Child - Health	2,656	
6.	Child - Physical and Intellectual Disabilities	830	
7.	Child - Prevention of Mortality	2,000	
8.	Child - Protection	48	
9.	Healthcare Skilling	469	
10.	Environment	3,509	
11.	Others	38,276	

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

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.

BHFL has received over 32,000 responses from its customers and achieved a CSAT score of 92.32% during FY2026.

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 the Company. 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	

P1 **3. Number of consumer complaints in respect of the following**

	FY2026			FY2025		
	Received during the year	Pending resolution at end of year	Remarks	Received during the year	Pending resolution at end of year	Remarks
P6 Data Privacy	0	0		0	0	
P7 Advertising	0	0		0	0	
P8 Cyber - security	0	0		0	0	
P9 Delivery of essential services	0	0		0	0	
Restrictive Trade practices	0	0		0	0	
Unfair Trade practices	0	0		0	0	
Others	292	0		197	0	

Some of the initiatives in this regard are:

- BHFL, through its charters and policies etc, communicate customer rights, Company commitments, grievance redressal mechanism as applicable. These policies and communications emphasise our commitment to fair practices by maintaining transparency in products and services offered.
- Customer grievances are also reviewed with focus on identification of root cause, corrective action plans and customer service initiatives.

4. Details of instances of product recalls on account of safety issues

	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.

BHFL is compliant with the 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** – Nil
- Percentage of data breaches involving personally identifiable information of customers** – Nil
- Impact, if any, of the data breaches** – Not Applicable

P1 **Leadership Indicators**P2 **1. Channels/platforms where information on products and services of the entity can be accessed**
P3 **(provide web link, if available)**

P4 BHFL envisages to be an omnipresent financial company which will enable its existing and new customer
P5 to engage, transact and be serviced online to offline and vice versa. Information relating to various financial
P6 services provided by the BHFL is available on the website.

P7 **2. Steps taken to inform and educate consumers about safe and responsible usage of products and/**
P8 **or services**

P9 As a responsible corporate, it is imperative to not just do business with customers, but also educate them
and make them more aware of what could be good or bad for them, frauds, addressing their questions on
financial products, etc.

BHFL has mechanisms to inform customers on usage of products and services offered. Continuous and
contextual communication across the customer lifecycle through - press releases, yearly customer
engagements, company website and blogs, social media campaigns, use of video content, feature based
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? (Yes/No)

Transparency and fairness in dealings with customers is followed. 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, 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	Corporate Governance Policy [#]	Y								
4	Suppliers' code of conduct [#]	Y	Y		Y	Y				
5	Anti Bribery and Anti-Corruption Policy [#]	Y	Y	Y	Y	Y		Y		
6	Tax Governance Policy [#]	Y	Y		Y	Y		Y		
7	Fair Practices Code [#]	Y			Y					Y
8	Prevention of Sexual Harassment at workplace (prevention, prohibition and redressal) policy [#]	Y		Y		Y				
9	Disciplinary action and grievance redressal policy [#]	Y		Y		Y				
10	Vigil mechanism and Whistle blower policy [#]	Y		Y		Y				
11	Know Your Customer (KYC) Policy [#]	Y								Y
12	Corporate Social Responsibility (CSR) Policy [#]	Y			Y				Y	
13	Code of Practices and Procedures for Fair Disclosure and Unpublished Price Sensitive Information (UPSI) [#]	Y								
14	Policy on Materiality of and dealing with Related Party Transactions [#]	Y								
15	Interest Rate Policy [#]	Y			Y					
16	Policy on Fit and Proper criteria for directors [#]	Y								
17	Performance Evaluation Criteria for board, Committees of board, Chairperson and directors [#]	Y								
18	Code of Ethics and Personal Conduct [#]	Y		Y		Y				
19	Employee Charter Human Rights Statement [#]	Y		Y	Y					Y
20	Dividend Distribution Policy [#]	Y			Y					
21	Remuneration Policy [#]	Y		Y		Y				
22	Code of Conduct for Directors and senior management [#]	Y								
23	Policy for Appointment of Statutory Auditors [#]	Y								
24	Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons [*]	Y								
25	Code of Conduct to DSA and DMA/Recovery Agents [*]	Y				Y				Y
26	Fraud Risk Management Policy [*]	Y								Y
27	Information Security Policy [*]	Y								Y
28	Cyber Security Policy [*]	Y								Y
29	Data Privacy Policy [*]	Y								Y
30	IT Outsourcing Policy [*]	Y								Y
31	Policy Dealing with leak or suspected leak of unpublished Price Sensitive Information [*]	Y								
32	Corporate Communication [*]	Y								Y
33	Internal Job Posting Policy				Y					
34	Auto Promotion Policy [*]				Y					
35	Reward and Recognition Policy				Y					
36	iCare Policy [*]				Y					
37	Creche Policy [*]				Y					
38	Staff Welfare and Team Engagement Policy				Y					
39	Money on Call Policy [*]				Y					

Sr. No	Principle wise Policies	P1	P2	P3	P4	P5	P6	P7	P8	P9
40	Board Diversity Policy*	Y								
41	Sustainable Business Strategy Framework*	Y			Y					Y
42	Record Maintenance and Retention Policy*									
43	Fortnightly Policy*				Y					
44	Corporate Audit Charter and Policy*	Y								
45	Governance Mechanism for third party products*	Y			Y	Y				Y
46	Customer grievance redressal policy*	Y			Y					Y
47	Policy on Preservation of Documents*	Y								Y
48	Risk Management Policy*	Y								
49	Investment and Market Risk Policy*	Y								
50	Asset Liability Management Policy*	Y								
51	Business Continuity Policy*	Y								Y
52	Policy on Dealing in Securities of group companies*	Y								
53	Compliance Policy*	Y								
54	Internal Capital Adequacy Assessment Process (ICAAP) Policy*	Y								
55	Retirement Policy*			Y						
56	IT Asset Disposal Policy*						Y			Y
57	Spectrum Program*	Y		Y		Y				
58	Spouse Working as Consultant Policy*	Y		Y		Y				

*Internal document

#Available on the Company website

Independent Assurance Statement

Independent Assurance Statement to Bajaj Housing Finance Limited on its GHG Inventory for the FY 2025-26

The Board of Directors,

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') for the reporting period of 01 April 2025 to 31 March 2026. SGS India has conducted a Reasonable level of Assurance for the BRSR core indicators and a Limited level of assurance for the remaining BRSR parameters, including essential and leadership indicators and all disclosures made thereunder. This assurance engagement was conducted in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) and ISAE 3410.

Reporting Framework

The Report is prepared with reference to the following:

1. Master Circular for compliance with the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by listed entities: BRSR Core and Non-Core Framework for Assurance and ESG Disclosures for Value Chain (Circular No. HO/49/14/14(7)2025-CFD-POD2/1/3762/2026), dated 30 January 2026.
2. Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard.

Intended Users of this Assurance Statement

This Assurance Statement is provided with the intention of informing all Bajaj Housing Finance Limited internal and external Stakeholders.

Responsibilities

The information in the report and its presentation is 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 for BRSR core parameters under 9 ESG Attributes, and a Limited level of assurance for the remaining BRSR parameters, including all essential indicators as specified under BRSR standards and amendments made as on date. 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; and environmental, social, and sustainability report assurance. SGS India affirms our independence from Bajaj Housing Finance Limited, being free from bias and conflicts of interest with the organisation, its BHFL does not have any subsidiaries. please delete from here. 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, including all KPI's within the report for the period 01 April 2025 to 31 March 2026. The reporting scope and boundaries include Bajaj Housing Finance Limited, offices spread across 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 their comprehensiveness, reliability, and accuracy.
- Interaction with key personnel responsible for collecting, consolidating, and calculating the BRSR core, and non-core indicators, and assessing the internal control mechanisms in place to ensure data quality.
- Application of analytical procedures and verification of documents on a sample basis for the compilation and reporting of the KPIs.
- Assessing the aggregation process of data at the Head Office level.
- Critical review of the report regarding the plausibility and consistency of qualitative and quantitative information related to the KPIs.

Limitations

SGS India did not come across any limitation to the agreed scope of the assurance engagement. 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 financial reports audited by the Company. SGS India does not take any responsibility for the financial data reported in the audited financial reports of the Company.

The assurance scope excludes:

- Disclosures other than those mentioned in the assurance scope.
- Data reviews outside the operational sites as mentioned in the reporting boundary.
- Validation of any data and information other than those presented in 'Findings and Conclusions.'
- 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.
- Mapping of the Report with reporting frameworks other than those mentioned in the Reporting Criteria above.

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 I), is complete, accurate, reliable, has been fairly stated in all material respects, and is prepared in line with the BRSR requirements.

BRSR Non-Core Indicators

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the data reported (Annexure II) in the BRSR report are not prepared, in all material respects, in accordance with the reporting criteria.

For and on behalf of SGS India Private Limited

Kalpesh Thombare
Technical Reviewer and National Manager – ESG &
Sustainability Services, SGS India
26 May 2026

Chirag Bafna
Lead Verifier and Senior Technical Associate – ESG &
Sustainability Services, SGS India

Annexure I

The BRSR Core indicators that were subject to verification under this assurance engagement are detailed below:

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	374.82
		Total Scope 2 emissions	MT of CO ₂ e	2,072.08
		Total Scope 1 and Scope 2 emission intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT CO ₂ e/ Revenue from operations in ₹ Cr	0.22
			operations in ₹ Cr adjusted to PPP	4.46
2	Water footprint	Total water consumption	KL	37,760
		Water consumption intensity	KL / Revenue from operations in ₹ Cr. adjusted for PPP	68.88
		Water Discharge by destination and levels of Treatment	KL	NR
3	Energy footprint	Total energy consumed	Giga Joules (GJ)	15,742.20
		% of energy consumed from renewable sources	In % terms	0%
		Energy intensity	GJ/ Revenue from operations in ₹ Cr. adjusted for PPP	28.72
4	Embracing circularity - details related to waste management by the entity	Plastic waste (A)	MT	1.75
		E-waste (B)	MT	1.27
		Bio-medical waste (C)	MT	1.51
		Construction and demolition waste (D)	MT	0
		Battery waste (E)	MT	0.45
		Radioactive waste (F)	MT	0
		Other Hazardous waste. Please specify, if any. (G)	MT	0
		Other non-hazardous waste generated (H). Please specify, if any.	MT	6.38
		Total waste generated ((A+B + C + D + E + F + G + H)	MT	11.36
5	Enhancing Employee Wellbeing and Safety	Waste intensity per rupee of turnover adjusted for Purchasing Power Parity (PPP)	MT / Revenue from operations in ₹ Cr. adjusted for PPP	0.02
		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	4.39%
		Complaints on POSH	Total Complaints on Sexual Harassment (POSH) reported	1
			Complaints on POSH as a % of female employees / workers	0.40%
			Complaints on POSH upheld	1
7	Enabling Inclusive Development	Input material sourced from following sources as % of total purchases –and from within India	Directly sourced from MSMEs/ small producers (In % terms – As % of total purchases by value)	6.71%
		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	0.04%
			Semi-urban	0.68%
			Urban	12.24%
			Metropolitan	87.04%

Sr. No.	Attribute	Parameter	Unit of Measures	Verified Value		
8	Fairness in Engaging with Customers and Suppliers	Instances involving loss / breach of data of customers as a percentage of total data breaches or cyber security events	In % terms	0		
		Number of days of accounts payable	(Accounts payable *365) / Cost of goods/services procured	35.18		
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	Nil		
			Number of trading houses where purchases are made from	Nil		
			Purchases from top 10 trading houses as % of total purchases from trading houses.	Nil		
			Sales to dealers / distributors as % of total sales	Nil		
			Number of dealers /distributors to whom sales are made	Nil		
			Sales to top 10 dealers / distributors as % of total sales to dealers / distributors	Nil		
			Share of RPTs (as respective %age) in -			
			Purchases	4.70%		
			Sales	0.83%		
			Loans & advances	0.01%		
Investments	Nil					

Annexure II

The BRSR Core indicators that were subject to verification under this assurance engagement are detailed below:

Principles	Limited		Reasonable
	Essential Indicators	Leadership Indicators	Core Indicators
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	1,2,3,4,5,6,8	1,3,4,7,9
Principle 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent.	1,2	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

GHG Assurance Statement

Independent Assurance Statement to Bajaj Housing Finance Limited on its BRSR Report for FY 2025-26

The Board of Directors,

Nature of the Assurance

SGS India Private Limited (hereinafter referred to as SGS India) was contracted by Bajaj Housing Finance Limited (the 'Company') 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 01 April 2025 to 31 March 2026. 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 Reasonable Level Assurance for Scope 1, and Scope 2, and Limited Level Assurance for Scope 3 data. This assurance engagement was conducted in accordance with the 'International Standard on Assurance Engagements (ISAE) 3410'.

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, 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 organisation, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance.

Scope of Assurance

The assurance exercise included the evaluation of quality, accuracy, and reliability of the GHG Inventory on Scope 1, Scope 2 and Scope 3 data for the period 01 April 2025 to 31 March 2026.

The scope of verification covers the following aspects:

The reporting scope and boundaries include Bajaj Housing Finance Limited (BHFL) 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 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 $\pm 3\%$ 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, Scope 2 and 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 GHG Inventory report is not prepared, in all material respects, in accordance with the reporting criteria.

SGS India verified the following parameters given in the Table below:

Scope 1, Scope 2 and Scope 3 Data

Description	FY 2025-26
Scope 1: Direct carbon emissions from owned/controlled operations- Unit-tCO₂Eq	10.48
a. Direct emissions from stationary combustion	357.81
b. Direct emissions from mobile combustion	23.12
c. Fugitive direct emissions	391.41
Scope 1 Total Emission	
Scope 2: Indirect carbon emissions- Unit-tCO₂Eq	
a. Indirect emissions from purchased/acquired electricity	2041.43
Scope 2 Total Emission	2041.43
Scope 3: Indirect carbon emissions- Unit-tCO₂Eq	
Category 1: Purchased goods and services	46.56
Category 2: Capital goods	609.66
Category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)	448.79
Category 5: Waste generated in operations	0.01
Category 6: Business travel	805.23
Category 7: Employee commuting	1,870.71
Scope 3 Total Emission	3,781.02

For and on behalf of SGS India Private Limited

Kalpesh Thombare
Technical Reviewer and National Manager – ESG &
Sustainability Services, SGS India
26 May 2026

Chirag Bafna
Lead Verifier and Senior Technical Associate – ESG &
Sustainability Services, SGS India

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.



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 2026, 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 2026, 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 2026. 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 matter
1	Allowances for expected credit loss (ECL)	Our audit approach
	As at 31 March 2026, the carrying value of loan assets aggregated ₹ 123,745.05 crore (net of allowance for expected credit loss ₹ 730.00 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 loan assets 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.	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. 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

S. N. Key audit matters

How our audit addressed the key audit matter

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;
- 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. 3.3, 9 and 53(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.

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 matter
<p>Appropriate IT general controls and application controls are required to ensure that such IT systems are able to process the data, as required, completely, accurately and consistently for reliable financial reporting.</p> <p>We have identified 'IT systems and controls' as a key audit matter considering the high level of automation, multiple systems being used by Management and the complexity of the IT architecture and its impact on overall financial reporting process.</p>	<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 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.

Independent Auditors' Report on the Financial Statements (Contd.)

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.

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 2026 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. 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 2026, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2026, 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 44 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;

- 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, 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 certain accounting softwares 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

Ravi Kapoor
Partner
Membership Number: 040404
UDIN: 26040404MZVYBP6277

Place: Pune
Date: 27 April 2026

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration Number: 106655W

Saurabh Chitale
Partner
Membership Number: 111383
UDIN: 26111383QEWUWA9829

Place: Pune
Date: 27 April 2026

Annexure A to the Independent Auditors' Report

[Referred to in paragraph [6(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 Finance 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 3.3 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 2026, aggregating ₹ 330.17 crore were categorised as credit impaired ('Stage 3') and ₹ 453.10 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 ₹ 1,23,691.78 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.

- 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 3,791 loan aggregating ₹ 330.17 crore as on 31 March 2026. 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 Finance 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 material 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 2026, 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 2026, 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	0.37	FY 2020-21	Office of Joint Commissioner (Appeals), Maharashtra
Income Tax Act, 1961	Claim for deduction in respect of discount on issue of Employee Stock Option Plan	8.18	FY 2023-24	Commissioner of Income Tax (Appeals), Faceless

- (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.

Annexure A to the Independent Auditors' Report (Contd.)

- (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.
- 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. According to the information and explanations given by the Management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under paragraph 3(x)(a) of the Order is not applicable to the Company.
- 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, one fraud amounting to ₹ 0.85 crore has been 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 gets 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. 46 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. We state that 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.
- 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 20 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 realisation 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):
- a. 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.
- b. 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

Ravi Kapoor
Partner
Membership Number: 040404
UDIN: 26040404MZVYBP6277

Place: Pune
Date: 27 April 2026

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration Number: 106655W

Saurabh Chitale
Partner
Membership Number: 111383
UDIN: 26111383QEWUWA9829

Place: Pune
Date: 27 April 2026

Annexure B to the Independent Auditors' Report

[Referred to in paragraph [6(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 2026, 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;

- (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 2026, 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

Ravi Kapoor
Partner
Membership Number: 040404
UDIN: 26040404MZVYBP6277

Place: Pune
Date: 27 April 2026

For Mukund M. Chitale & Co.
Chartered Accountants
Firm Registration Number: 106655W

Saurabh Chitale
Partner
Membership Number: 111383
UDIN: 26111383QEWUWA9829

Place: Pune
Date: 27 April 2026

Balance Sheet

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2026	2025
ASSETS			
Financial assets			
Cash and cash equivalents	5	161.80	61.63
Bank balances other than cash and cash equivalents	6	3.80	0.15
Derivative financial instruments	7	-	41.22
Trade receivables	8	27.80	21.88
Loans	9	1,23,745.05	99,512.86
Investments	10	2,502.21	2,533.32
Other financial assets	11	440.18	363.46
		1,26,880.84	1,02,534.52
Non-financial assets			
Current tax assets (net)	12	25.27	75.53
Deferred tax assets (net)	12	56.35	44.14
Property, plant and equipment	13	110.95	100.34
Intangible assets under development	13	0.15	0.52
Other intangible assets	13	43.12	40.23
Other non-financial assets	14	30.37	13.47
		266.21	274.23
Total assets		1,27,147.05	1,02,808.75
LIABILITIES AND EQUITY			
Liabilities			
Financial liabilities			
Derivative financial instruments	7	61.58	-
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		126.10	76.46
Other payables			
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		155.92	104.29
Debt securities	16	51,014.71	39,765.70
Borrowings (other than debt securities)	17	52,642.08	42,268.61
Deposits	18	47.20	37.61
Other financial liabilities	19	367.32	489.54
		1,04,414.91	82,742.21

Balance Sheet (Contd.)

(₹ in crore)

Particulars	Note No.	As at 31 March	
		2026	2025
Non-financial liabilities			
Current tax liabilities (net)	12	73.03	37.69
Provisions	20	70.53	47.29
Other non-financial liabilities	21	65.79	34.76
		209.35	119.74
Equity			
Equity share capital	22	8,328.66	8,328.15
Other equity	23	14,194.13	11,618.65
		22,522.79	19,946.80
Total liabilities and equity		1,27,147.05	1,02,808.75
Summary of material accounting policies	3		

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

Ravi Kapoor
Partner
Membership No.: 040404

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: 27 April 2026

Statement of Profit and Loss

(₹ in crore)

For the year ended 31 March

Particulars	Note No.	For the year ended 31 March	
		2026	2025
Revenue from operations			
Interest income	24	10,511.61	8,986.15
Fees and commission income	25	297.11	201.18
Net gain on fair value changes	26	86.33	164.26
Sale of services	27	20.57	32.84
Income on derecognised (assigned) loans	28	195.35	143.73
Other operating income	29	36.23	25.82
Total revenue from operations		11,147.20	9,553.98
Other income	30	3.09	0.35
Total income		11,150.29	9,554.33
Expenses			
Finance costs	31	6,759.39	5,979.26
Fees and commission expense	32	13.09	11.93
Impairment on financial instruments	33	190.68	58.45
Employee benefits expense	34	559.21	483.63
Depreciation and amortisation expenses	13	47.33	41.15
Other expenses	35	247.43	209.68
Total expenses		7,817.13	6,784.10
Profit before exceptional items and tax		3,333.16	2,770.23
Exceptional items	36	13.14	-
Profit before tax		3,320.02	2,770.23
Tax expense			
Current tax		767.95	619.53
Deferred tax charge / (credit)		(8.27)	13.16
Tax adjustment of earlier years		-	(25.36)
Total tax expense	12	759.68	607.33
Profit after tax		2,560.34	2,162.90
Other comprehensive income (OCI)			
Items that will not be reclassified to profit or loss:			
Re-measurement gains/(losses) on defined benefit plans		0.03	(1.93)
Tax impact on above		(0.01)	0.48
Items that will be reclassified to profit or loss:			
Gains/(losses) on investments in debt instruments measured at FVOCI		(25.71)	16.76
Tax impact on above		6.47	(4.22)
Other comprehensive income for the year (net of tax)		(19.22)	11.09
Total comprehensive income for the year		2,541.12	2,173.99

Statement of Profit and Loss (Contd.)

Particulars	Note No.	For the year ended 31 March	
		2026	2025
Earnings per equity share	37		
(Face value per share ₹ 10)			
Basic (₹)		3.07	2.67
Diluted (₹)		3.07	2.67
Summary of material accounting policies	3		

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

Ravi Kapoor
Partner
Membership No.: 040404

Saurabh Chitale
Partner
Membership No.: 111383

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Pune: 27 April 2026

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Statement of Changes in Equity

I. Equity share capital

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Balance at the beginning of the year	8,328.15	6,712.16
Changes in equity share capital during the year (refer note no. 22 (a))	0.51	1,615.99
Balance at the end of the year	8,328.66	8,328.15

II. Other equity

For the year ended 31 March 2026

(₹ 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 2025		4,744.07	1,396.34	5,448.20	16.97	13.07	11,618.65
Profit after tax		-	-	2,560.34	-	-	2,560.34
Other comprehensive income (net of tax)		-	-	0.02		(19.24)	(19.22)
Total		4,744.07	1,396.34	8,008.56	16.97	(6.17)	14,159.77
Transfer to statutory reserves in terms of section 29C of the NHB Act, 1987		-	512.07	(512.07)	-	-	-
Add: Allotment of shares to ESOP Trust		18.64	-	-	-	-	18.64
Add: Share based payment to employees		-	-	-	32.06	-	32.06
Add: Transfer on exercise of stock options by employees		1.02	-	-	(1.02)	-	-
Less: Premium on equity shares held in Trust for employees under the ESOP scheme as at 31 March 2026		(16.34)	-	-	-	-	(16.34)
Balance as at 31 March 2026	23	4,747.39	1,908.41	7,496.49	48.01	(6.17)	14,194.13

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

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

Ravi Kapoor
Partner
Membership No.: 040404

Pune: 27 April 2026

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

Gaurav Kalani
Chief Financial Officer
DIN: 01550158

Atul Patni
Company Secretary
FCS: F10094

Sanjiv Bajaj
Chairman
DIN: 00014615

Rajeev Jain
Vice Chairman
DIN: 01550158

Anami N Roy
Director
DIN: 01361110

Statement of Cash Flows

(₹ in crore)

For the year ended 31 March

Particulars	2026	2025
I. Cash flow from operating activities		
Profit before tax	3,320.02	2,770.23
Adjustments for:		
Interest income	(10,511.61)	(8,986.15)
Depreciation and amortisation expenses	47.33	41.15
Impairment on financial instruments	190.68	58.45
Finance costs	6,759.39	5,979.26
Share based payment expenses	32.06	16.97
Net loss on disposal of property, plant and equipment and intangible assets	0.91	2.72
Service fees for management of assigned portfolio of loans	(20.57)	(27.30)
Income on derecognised (assigned) loans	(195.35)	(143.73)
Net (gain)/ loss on fair value changes	(86.33)	(164.26)
	(463.47)	(452.66)
Cash inflow from interest on loans	10,200.15	8,641.90
Cash inflow from interest on Investments and fixed deposits	233.66	158.96
Cash inflow from servicing assigned loans	52.52	56.95
Cash outflow towards finance cost	(6,234.03)	(5,441.16)
Cash generated from operations before working capital changes	3,788.83	2,963.99
Working capital changes		
(Increase) / decrease in bank balances other than cash and cash equivalents	(3.65)	-
(Increase) / decrease in trade receivables	(5.94)	(8.56)
(Increase) / decrease in loans	(24,217.70)	(20,066.04)
(Increase) / decrease in investments measured at FVTPL	1,202.06	373.34
(Increase) / decrease in other financial assets	6.97	(11.36)
(Increase) / decrease in other non-financial assets	(16.90)	(4.56)
Increase / (decrease) in trade payables	49.64	18.85
Increase / (decrease) in other payables	51.63	21.54
Increase / (decrease) in other financial liabilities	(123.97)	245.36
Increase / (decrease) in provisions	22.97	9.50
Increase / (decrease) in other non-financial liabilities	31.03	7.39
	(19,215.03)	(16,450.55)
Income taxes paid (net of refunds)	(679.83)	(624.32)
Net cash used in operating activities (I)	(19,894.86)	(17,074.87)
II. Cash flow from investing activities		
Purchase of property, plant and equipment	(31.26)	(25.07)
Sale of property, plant and equipment	4.67	5.33
Purchase of other intangible assets and intangible assets under development	(16.68)	(15.93)
Purchase of investments measured at amortised cost	(43,584.04)	(16,270.26)
Proceeds from liquidation of investments measured at amortised cost	43,584.04	16,270.26
Purchase of investments measured at FVOCI	(3,763.78)	(761.88)
Proceeds from liquidation of investments measured at FVOCI	2,605.37	-
Net cash used in investing activities (II)	(1,201.68)	(797.55)

Statement of Cash Flows (Contd.)

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
III. Cash flow from financing activities		
Issue of equity share capital (including securities premium)	2.81	5,560.00
Share issue expense (net of tax)	-	(50.29)
Long-term borrowings availed	35,419.55	26,680.07
Long-term borrowings repaid	(17,790.55)	(13,873.61)
Short-term borrowings availed (net)	3,571.56	(290.79)
Deposits received (net)	9.23	(141.34)
Payment of lease liability	(15.89)	(13.85)
Net cash generated from financing activities (III)	21,196.71	17,870.19
Net increase/(decrease) in cash and cash equivalents (I+II+III)	100.17	(2.23)
Cash and cash equivalents at the beginning of the year	61.63	63.86
Cash and cash equivalents at the end of the year	161.80	61.63

- 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. 45 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.

Components of cash and cash equivalents

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Cash and cash equivalents comprises of		
Cash on hand	-	-
Balances with banks:		
In current accounts	161.80	61.63
Total	161.80	61.63

As per our report of even date

For Singhi & Co.
Chartered Accountants
Firm Registration No.: 302049E

Ravi Kapoor
Partner
Membership No.: 040404

Pune: 27 April 2026

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

Notes to financial statements for the year ended 31 March 2026

1. Corporate information

Bajaj Housing Finance Limited ('the Company', 'BHFL') (Corporate ID No.: L65910PN2008PLC132228), a subsidiary of Bajaj Finance Limited, incorporated on 13 June 2008, is a Company limited by shares and domiciled as well as having its operations in India. 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 the financial year 2017-18. The shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited (NSE). Further, various debt securities of the Company are also listed on the Stock Exchanges. The Company has its registered office at Akurdi, Pune Maharashtra, India and its principal place of business at 5th floor, Cerebrum IT Park, Kalyani Nager, Pune, Maharashtra (India).

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.

2. Basis of preparation

2.1 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, and the applicable RBI/ NHB Regulations as amended from time to time.

The Company uses accrual basis of accounting except in case of significant uncertainties. [Refer note no. 3.1(ii)(a)]

The financial statements have been prepared on a historical cost basis, except for certain financial instruments, share based payments and employee benefits plan that are measured at fair value as required or allowed by relevant accounting standard.

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.

The financial statements were subject to review and recommendation of Audit Committee and approval of the Board of Directors. On 27 April 2026, the Board of Directors of the Company approved and recommended the financial statements for consideration and adoption by the shareholders in its Annual General Meeting.

2.2 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.

2.3 Presentation of financial statements

The Company presents its Balance Sheet in the order of liquidity.

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 2026 (Contd.)

2. Basis of preparation (Contd.)

2.4 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 used in various line items in the financial statements are as below:

- Business model assessment (Refer note no. 3.3.(i))
- Impairment on financial assets (Refer note no. 3.3.(i), 9, 10, 11, 14, 53)
- Provisions, contingent liabilities and commitments (Refer note no. 3.8 and 44)
- Provision for tax expenses (Refer note no. 3.5)
- Fair Value of financial Instruments (Refer note no. 3.10 and 52)
- Defined benefit plans [Refer note no. 3.9(b) and 43 (I)]

3. 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.

3.1 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 at point in time 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 at point in time on delivery of services and products to the customer;
- income on loan foreclosure and prepayment at point in time when the event is concluded.

(b) Net gain on fair value changes

The Company recognises gain/ loss on fair value change of financial assets measured at FVTPL. Realised gain on derecognition of financial asset measured at FVTPL and FVOCI on net basis.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

(c) Sale of services

The Company, on derecognition 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 derecognition 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

Other operating income is recognised on completion of service.

3.2 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 loan portfolio management service charges, credit guarantee fees, etc. are recognised in the Statement of Profit and Loss on an accrual basis.

3.3 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 recognised 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 the Statement of Profit and Loss; and
- 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

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-

3. Summary of material accounting policies (Contd.)

Business model assessment

The Company has 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 assets 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 solely 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 third parties.
- Assignment and sale of non credit impaired assets which are infrequent and below threshold provided by Management.

(b) Debt instruments at FVOCI

The Company subsequently measures 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 recognized in the other comprehensive income (OCI). The interest income on these assets are recognised in the Statement of Profit and 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.

(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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

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 derecognition 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 service asset or a service liability for that servicing contract. A service liability in respect of a service is recognised if the present value of fee to be received is not expected to compensate the 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.

Securitisation

In case of securitisation transactions, the Company retains substantially all the risks and rewards, of ownership of a portion of the transferred loan assets. The Company continues to recognise the entire loan and also recognises a collateralised borrowing for the proceeds received.

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 recoveries made from written off assets are netted off from impairment on financial instruments in Statement of Profit and Loss.

Impairment on financial assets

The Company follows General approach for computation of ECL on loan exposures.

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 since inception 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.

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.

3. Summary of material accounting policies (Contd.)

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 principal and/ or interest are past due for more than 90 days;
- The loan is otherwise considered to be in default.

Loan accounts where principal and/ or interest are past due for more than 90 days along with all other loans of such customer, continue to be classified as stage 3, till overdue across all loan accounts are cleared.

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 days 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 probability of default (PD) derived from past behavioural trends of default across the identified homogenous portfolios. These past trends factor in the customer behavioural trends. The assessed PDs are then aligned considering future economic conditions that are determined to have a bearing on ECL.

(c) Without significant increase in credit risk since initial recognition (stage 1)

ECL resulting from default events that are possible in the next 12 months are recognised for financial assets in stage 1. 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 scenarios to measure the expected cash shortfall. Cash shortfall is the difference between the cashflows that are due to the Company in accordance with the contract and the cashflows that the Company expects to receive.

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 2026 (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. 53.

(e) Recognition 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.

(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 and Loss.

Subsequent measurement

The Company subsequently measures all financial liabilities at amortised cost using the EIR method, except for derivative contracts which are measured at FVTPL and accounted for by applying the hedge accounting requirements under Ind AS 109.

Derecognition

The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired through repayments or waivers.

3. Summary of material accounting policies (Contd.)

(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 cost. 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 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.

3.4 Investments

Investments are classified in accordance with Ind AS 109 'Financial Instruments' into three categories viz. amortised cost, FVTOCI and FVTPL based on contractual cashflows and business model.

Investments under FVTOCI 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 FVTOCI are recorded through other comprehensive income.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

3.5 Taxes

Income tax comprises current tax and deferred tax. 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.

Current 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.

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.

3.6 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 pro-rata basis, with reference to the month in which such asset is added or sold, 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. Details of useful life is given in note no. 13.

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 amortisation 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.

3.7 Leases

The Company as a lessee follows Ind AS 116 'Leases' for accounting of various office premises 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.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less. The Company recognises the lease payments associated with these leases as an expense over the lease term.

3. Summary of material accounting policies (Contd.)

3.8 Provisions, contingent liabilities and commitments

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.

3.9 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.

(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 Life Insurance Limited. However, any deficits in plan assets managed by LIC and Bajaj Life Insurance 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 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) Compensated absences

The Company treats its liability for compensated absences based on actuarial valuation as at the Balance Sheet date, determined by an independent actuary using the Projected Unit Credit method.

(d) 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 and 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 and Loss.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

3.10 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. 52.

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. 51 and 52.

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.

3.11 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. 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.

In May 2025, MCA notified amendments to Ind AS 21 'The Effects of Changes in Foreign Exchange Rates', applicable w.e.f. 1 April 2025. The Company has no impact of these amendments.

In August 2025, MCA notified the following amendments to:

- Ind AS 1 'Presentation of Financial Statements', applicable w.e.f. 1 April 2025 – The amendment relates to classification of liabilities as current or non-current and non-current liabilities with covenants. In the context of classifying a liability as current, it removes the requirement of existence of a right to defer settlement for at least 12 months after the reporting date and instead requires that the said right should exist on the reporting date and have substance. The amendment also introduces guidance on classification of liabilities with covenants. This amendment is not applicable to the Company.
- Ind AS 7 'Statement of Cash Flows' and Ind AS 107 'Financial Instruments: Disclosures', applicable w.e.f. 1 April 2025 – The amendment in Ind AS 7 requires to inform users of financial statements of the existence of supplier finance arrangements and explain the nature of the arrangements, the carrying amount of liabilities and the range of payment due dates. Ind AS 107 has been amended to add supplier finance arrangements as a factor that may cause concentration of liquidity risk. The Company has no impact of these amendments.
- Ind AS 12 'International Tax Reform' – Pillar Two Model Rules applicable with immediate effect- The amendments provide a temporary mandatory relief from deferred tax accounting for top-up tax and disclose that they have applied the relief. This amendment is not applicable to the Company.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

5. Cash and cash equivalents

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Cash on hand	-	-
Balances with banks:		
In current accounts	161.80	61.63
Total	161.80	61.63

6. Bank balances other than cash and cash equivalents

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Fixed deposits (with original maturity more than 3 months)*	3.80	0.15
Total	3.80	0.15

*Includes:

- Earmarked balance with banks of ₹ 0.15 crore (Previous year ₹ 0.15 crore) against overdraft facility.
- ₹ 3.65 crore (Previous year Nil) pledged as lien on securitisation borrowing.

7. Derivative financial instruments (at FVTPL)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Notional amount	Fair value assets	Fair value liabilities	Notional amount	Fair value assets	Fair value liabilities
	Interest rate derivatives					
Interest rate swaps (fair value hedge)	3,500	-	61.58	2,350	41.22	-
Total	3,500	-	61.58	2,350	41.22	-

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.

8. Trade Receivables

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Considered good - unsecured		
Fees, commission and others	27.91	21.97
Less: Impairment loss allowance	0.11	0.09
Total	27.80	21.88

- No trade receivables are due from directors or other officers of the Company either severally or jointly with any other person.
- No trade receivables are due from firms or private companies in which any director is a partner, a director or a member.
- The Company follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on trade receivables that do not contain significant financing component.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

Trade receivables (gross) ageing schedule

(₹ 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	
As at 31 March 2026							
Undisputed Trade Receivables - Considered good	16.69	-	11.22	-	-	-	27.91
As at 31 March 2025							
Undisputed Trade Receivables - Considered good	2.02	-	19.95	-	-	-	21.97

Reconciliation of impairment loss allowance on trade receivables

(₹ in crore)

For the year ended 31 March

Particulars	2026	2025
Impairment loss allowance as at beginning of the year	0.09	0.05
Net increase/ (decrease) during the year	0.02	0.04
Impairment loss allowance at the end of the year	0.11	0.09

9. Loans

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	At amortised Cost	At FVOCI*	Total	At amortised Cost	At FVOCI*	Total
(A) Loans						
Term loans	98,530.85	25,944.20	1,24,475.05	31,154.62	68,936.10	1,00,090.72
Less: Impairment loss allowance	543.75	186.25	730.00	221.03	356.83	577.86
Total	97,987.10	25,757.95	1,23,745.05	30,933.59	68,579.27	99,512.86
(B) Out of above:						
(i) Secured by tangible assets ⁺	96,250.40	25,944.20	1,22,194.60	29,143.91	68,936.10	98,080.01
(ii) Secured by intangible assets [#]	551.22	-	551.22	269.33	-	269.33
(iii) Covered by Bank/ Government guarantee	0.62	-	0.62	3.28	-	3.28
(iv) Unsecured	1,728.61	-	1,728.61	1,738.10	-	1,738.10
Total - Gross	98,530.85	25,944.20	1,24,475.05	31,154.62	68,936.10	1,00,090.72
Less: Impairment loss allowance	543.75	186.25	730.00	221.03	356.83	577.86
Total - Net	97,987.10	25,757.95	1,23,745.05	30,933.59	68,579.27	99,512.86
(C) Out of above:						
I. Loans in India						
Public sector	-	-	-	-	-	-
Less: Impairment loss allowance	-	-	-	-	-	-
Others	98,530.85	25,944.20	1,24,475.05	31,154.62	68,936.10	1,00,090.72
Less: Impairment loss allowance	543.75	186.25	730.00	221.03	356.83	577.86
	97,987.10	25,757.95	1,23,745.05	30,933.59	68,579.27	99,512.86
II. Loans outside India	-	-	-	-	-	-
Total (I+II)	97,987.10	25,757.95	1,23,745.05	30,933.59	68,579.27	99,512.86

* 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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

9. Loans (Contd.)

Loans including instalment and interest outstanding amounting ₹ 47.06 crore (Previous year ₹ 59.07 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.

Change in Business Model

The Company used to assign home loans to external partners as part of its treasury strategy. Considering the change in regulatory requirement relating to Principal Business Criteria (PBC), the Company reassessed the need for a change in the business model for its home loan portfolio. In order to retain higher proportion of home loan portfolio as part of total assets, the Company had done insignificant amount of assignment transactions for its home loan portfolio. This was necessitated due to the change in regulatory landscape applicable for the Company to continue to be classified as a Housing Finance Company. Accordingly, the Company reassessed its business model of collecting cash flows for home loan portfolio from 'Hold to collect and sell' to 'Hold to collect' and consequently, with effect from 1 April 2025, has reclassified such loan balances amounting to ₹ 54,128.76 crore from FVOCI category to Amortised Cost category.

Summary of EIR impact on loans

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	At amortised Cost	At FVOCI	Total	At amortised Cost	At FVOCI	Total
Total Gross loan	98,384.27	25,993.00	1,24,377.27	31,437.87	68,679.93	1,00,117.80
Less: EIR impact	(146.58)	48.80	(97.78)	283.25	(256.17)	27.08
Total for gross term loan net of EIR impact	98,530.85	25,944.20	1,24,475.05	31,154.62	68,936.10	1,00,090.72

Summary of loans by stage distribution

(₹ in crore)

Particulars	As at 31 March 2026				As at 31 March 2025			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
Gross carrying amount	1,23,691.78	453.10	330.17	1,24,475.05	99,483.07	320.65	287.00	1,00,090.72
Less: Impairment loss allowance	400.75	131.89	197.36	730.00	333.60	71.34	172.92	577.86
Net carrying amount	1,23,291.03	321.21	132.81	1,23,745.05	99,149.47	249.31	114.08	99,512.86
Impairment loss allowance as a percentage of gross carrying amount	0.32%	29.11%	59.78%	0.59%	0.34%	22.25%	60.25%	0.58%

Notes to financial statements for the year ended 31 March 2026 (Contd.)

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 2026							
	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	99,483.07	333.60	320.65	71.34	287.00	172.92	1,00,090.72	577.86
Transfer during the year								
Transfer to stage 1	135.10	31.20	(120.02)	(25.32)	(15.08)	(5.88)	-	-
Transfer to stage 2	(352.45)	(2.49)	364.01	10.28	(11.56)	(7.79)	-	-
Transfer to stage 3	(159.77)	(1.07)	(49.06)	(11.81)	208.83	12.88	-	-
	(377.12)	27.64	194.93	(26.85)	182.19	(0.79)	-	-
Impact of changes in credit risk								
on account of stage movements	-	(29.47)	-	93.42	-	83.20	-	147.15
on account of within stage movements	-	(12.77)	-	5.72	-	8.72	-	1.67
Changes in opening credit exposures (repayments net of additional disbursement and derecognition on transfer of loans)	(21,218.07)	(82.35)	(78.52)	(19.84)	(107.56)	(31.69)	(21,404.15)	(133.88)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	45,803.90	164.10	16.04	8.10	5.68	2.14	45,825.62	174.34
Amounts written off during the year	-	-	-	-	(37.14)	(37.14)	(37.14)	(37.14)
Balance as at the end of the year	1,23,691.78	400.75	453.10	131.89	330.17	197.36	1,24,475.05	730.00

(₹ 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
on account of within stage movements	-	(50.87)	-	(0.63)	-	1.82	-	(49.68)
Changes in opening credit exposures (repayments net of additional disbursement and derecognition on transfer of loans)	(15,016.42)	(67.73)	(61.13)	(14.29)	(80.83)	(26.66)	(15,158.38)	(108.68)
New credit exposures during the year, net of repayments and derecognition on transfer of loans	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

Notes to financial statements for the year ended 31 March 2026 (Contd.)

9. Loans (Contd.)

Principal Business Criteria (PBC)

As per the Reserve Bank of India (Housing Finance Companies) Directions, 2025, HFCs are required to maintain minimum 60% of total assets (netted off by intangible assets) towards housing finance and 50% of total assets (netted off by intangible assets) for individual housing finance. As at 31 March 2026, BHFL has 60.88% of total assets (netted off by intangible assets) towards housing finance (As at 31 March 2025: 63.28%) and 50.45% of total assets (netted off by intangible assets) towards individual housing finance (As at 31 March 2025: 51.72%).

10. Investments

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
(I) At fair value through other comprehensive income		
In Government Securities	1,033.32	1,033.77
Add: Fair value gain/(loss)	6.54	15.84
Total (i)*	1,039.86	1,049.61
In State Development Bonds	1,043.34	260.64
Fair value gain/(loss)	(14.02)	1.62
Total (ii)	1,029.32	262.26
In T-Bill	403.61	-
Add: Fair value gain/(loss)	(0.77)	-
Total (iii)	402.84	-
Total (I) = (i+ii+iii)	2,472.02	1,311.87
(II) At fair value through profit or loss		
In mutual funds	1.51	1.10
Fair value gain/(loss)	0.02	0.09
Total (i)	1.53	1.19
In T-Bill	28.66	1,220.37
Add: Fair value gain/(loss)	-	(0.11)
Total (ii)	28.66	1,220.26
Total (II) = (i+ii)	30.19	1,221.45
Total (I + II)	2,502.21	2,533.32

Out of above

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
In India	2,502.21	2,533.32
Outside India	-	-
	2,502.21	2,533.32

-Impairment loss allowance recognised on investments is ₹ Nil. (Previous year ₹ Nil)

* Includes ₹ 9.96 crore (Previous year ₹ 965.45 crore) pledged for triparty repo dealing and settlement (TREPs).

11. Other financial assets

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Security deposits	7.77	5.86
Receivables on assigned loans	80.20	112.15
Interest only strip receivable	350.48	233.40
Amount receivable on swaps and other derivatives	1.65	-
Others*	4.01	14.63
	444.11	366.04
Less: Impairment loss allowance**	3.93	2.58
Total	440.18	363.46

Notes to financial statements for the year ended 31 March 2026 (Contd.)

* Includes receivable from pools purchased under direct assignment ₹ 3.75 crore (Previous year ₹ 5.44 crore).

**Impairment loss allowance recognised on receivable on assigned loans is ₹ 3.88 crore (Previous year ₹ 2.50 crore).

The Company follows simplified approach under Ind AS 109 'Financial Instruments' for measurement of impairment loss allowance on other financial assets that do not contain significant financing component.

Reconciliation of impairment loss allowance on other financial assets

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Impairment loss allowance as at beginning of the year	2.58	2.01
Net increase/ (decrease) during the year	1.35	0.57
Impairment loss allowance as at the end of the year	3.93	2.58

12. Income Tax**(a) (i) Current tax asset (Net)**

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Income taxes paid in advance	25.27	75.53
-net of provision for income tax of ₹ 1,563.57 crore (Previous year ₹ 1,447.86 crore)		
Total	25.27	75.53

(ii) Current tax liability (Net)

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Provision for Income tax	73.03	37.69
-net of taxes paid in advance of ₹ 1,193.68 crore (Previous year ₹ 579.31 crore)		
Total	73.03	37.69

(iii) Reconciliation of tax expenses and profit before tax multiplied by corporate tax rate

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Profit before tax	3,320.02	2,770.23
Tax at corporate tax rate of 25.17% (Previous year 25.17%)	835.58	697.27
Tax on expenditure not considered for tax provision (net of allowance)	14.70	10.93
Current tax adjustment of earlier years [#]	-	(25.36)
Tax impact on deduction under Section 36(1)(viii) of the Income tax Act, 1961	(90.60)	(75.51)
Tax expense (effective tax rate of 22.88%, Previous year 21.92%)	759.68	607.33

[#]During the year ended 31 March 2025, the Company had re-assessed its tax position on deductibility of expenditure for earlier years based on favorable orders of various courts and tribunals and accordingly reversed tax expense for earlier years.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

12. Income Tax (Contd.)

(b) Deferred tax assets (net)

Movement in Deferred tax assets / (liability)

For the year ended 31 March 2026

Particulars	Balance as at 31 March 2025	Recognised in profit and loss	Recognised in OCI	Recognised in equity	(₹ in crore)
					Balance as at 31 March 2026
I. Deferred tax asset					
Property, plant and equipment and Intangible assets	2.05	0.12	-	-	2.17
Remeasurements of employee benefits	6.08	10.04	(0.01)	-	16.11
Expected credit loss	114.99	11.41	-	-	126.40
EIR impact on financial instruments measured at amortised cost	0.20	(0.05)	-	-	0.15
Mark to market impact on fair value hedge	0.52	10.49	-	-	11.01
Right of use assets and lease liability	22.20	5.18	-	-	27.38
Fair value of security deposit	0.02	-	-	-	0.02
Change in fair value of investments in debt instruments at FVTPL	0.03	(0.03)	-	-	-
Share issue expenses under section 35D of the Act	10.10	-	-	(2.52)	7.58
Change in fair value of Investments in debt instruments designated under FVOCI	-	(1.88)	2.07	-	0.19
Gross deferred tax assets (I)	156.19	35.28	2.06	(2.52)	191.01
II. Deferred tax liabilities					
Receivables on assigned loans	86.97	21.43	-	-	108.40
Right of use assets and lease liability	21.10	5.16	-	-	26.26
Change in fair value of Investments in debt instruments designated under FVOCI	3.98	0.42	(4.40)	-	-
Gross deferred tax liabilities (II)	112.05	27.01	(4.40)	-	134.66
Deferred tax assets/ (liabilities), net (I-II)	44.14	8.27	6.46	(2.52)	56.35

For the year ended 31 March 2025

Particulars	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in equity	(₹ in crore)
					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
Change in fair value of investments in debt instruments at FVTPL	0.10	(0.07)	-	-	0.03
Share issue expenses under section 35D of the Act	-	-	-	10.10	10.10
Gross deferred tax assets (I)	137.21	8.40	0.48	10.10	156.19

Notes to financial statements for the year ended 31 March 2026 (Contd.)

Particulars	(₹ in crore)				
	Balance as at 31 March 2024	Recognised in profit and loss	Recognised in OCI	Recognised in equity	Balance as at 31 March 2025
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
Change in fair value of Investments in debt instruments designated under FVOCI	0.18	(0.42)	4.22	-	3.98
Gross deferred tax liabilities (II)	86.27	21.56	4.22	-	112.05
Deferred tax assets/ (liabilities), net (I-II)	50.94	(13.16)	(3.74)	10.10	44.14

13. Property, plant and equipment and intangible assets
For the year ended 31 March 2026

Particulars	Gross Block				Depreciation and amortisation				Net block	
	As at 1 April 2025	Additions	Deductions/ adjustments	As at 31 March 2026	As at 1 April 2025	Deductions/ adjustments	For the year	As at 31 March 2026	As at 31 March 2026	
Property, plant and equipment										
Buildings										
- Own use ^(a)	2.39	-	-	2.39	0.52	-	0.04	0.56	1.83	
- Right of use - Buildings	115.51	25.66	12.03	129.14	67.06	5.25	17.19	79.00	50.14	
Computers	33.95	8.87	6.94	35.88	17.46	4.98	6.50	18.98	16.90	
Furniture and fixtures	10.36	2.89	0.77	12.48	5.37	0.52	1.52	6.37	6.11	
Lease hold improvement	15.25	4.63	1.95	17.93	12.95	1.84	1.20	12.31	5.62	
Vehicles	34.55	12.07	6.73	39.89	9.81	3.15	6.38	13.04	26.85	
Office equipment	15.01	2.80	1.21	16.60	13.51	1.16	0.75	13.10	3.50	
Total (i)	227.02	56.92	29.63	254.31	126.68	16.90	33.58	143.36	110.95	
Intangible assets										
Computer software	76.57	17.05	4.64	88.98	36.34	4.23	13.75	45.86	43.12	
Total (ii)	76.57	17.05	4.64	88.98	36.34	4.23	13.75	45.86	43.12	
Total (i+ii)	303.59	73.97	34.27	343.29	163.02	21.13	47.33	189.22	154.07	

For the year ended 31 March 2025

Particulars	Gross Block				Depreciation and amortisation				Net block	
	As at 1 April 2024	Additions	Deductions/ adjustments	As at 31 March 2025	As at 1 April 2024	Deductions/ adjustments	For the year	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	

(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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

13. Property, plant and equipment and intangible assets (Contd.)

(b) Useful life as used by the Company are listed below:

Nature of assets	Useful life adopted by the Company
Building	60 years
Computers	
End user machines	4 years*
Servers and networks	6 years
Office equipment	5 years
Furniture and fixtures	
Chairs and glow sign board	4 years*
Other furniture and fixtures	10 years
Leasehold improvements	Lease tenure or 5 years, whichever is less
Vehicles	6 years*
Intangible Assets	5 years

* Evaluated useful lives is different from Schedule II of Companies Act, 2013.

- 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 2026 and 31 March 2025.

13(a). Intangible assets under development

Particulars	For the year ended 31 March	
	2026	2025
Opening balance	0.52	0.87
Additions	23.33	15.86
Deductions/Adjustments	(23.70)	(16.21)
Closing balance	0.15	0.52

13(b). Aging for intangible assets under development

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-Mar-26	0.15	-	-	-	0.15
Projects in progress	31-Mar-25	0.52	-	-	-	0.52

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

Particulars	As at 31 March	
	2026	2025
Advances to suppliers	28.46	12.00
Others*	1.91	1.47
Total	30.37	13.47

* Includes excess CSR spend of ₹1.89 crore (Previous year ₹1.47 crore) and deposit against appeal of ₹0.02 crore (Previous year ₹ Nil) Impairment loss allowance recognised on advances to suppliers is ₹ Nil (Previous year ₹ Nil).

Notes to financial statements for the year ended 31 March 2026 (Contd.)

15. Payables

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Trade payables		
Total outstanding dues of micro enterprises and small enterprises [#]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	126.10	76.46
Total	126.10	76.46
Other payables		
Total outstanding dues of micro enterprises and small enterprises [#]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	155.92	104.29
Total	155.92	104.29

[#]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 per Section 22 as at the year end are furnished below:

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
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	0.12
Interest paid to suppliers under MSMED Act (Section 16) (FY 25-26: ₹ 712, Previous year: ₹ 2,819)	-	-
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	-	-

Trade payable aging schedule as at 31 March 2026

Particulars	(₹ in crore)						Total
	Not due	Unbilled	Outstanding from due date of payment				
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-	-	-
(ii) Others	-	122.55	3.55	-	-	-	126.10
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-

Trade payable aging schedule as at 31 March 2025

Particulars	(₹ in crore)						Total
	Not due	Unbilled	Outstanding from due date of payment				
			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	-	-	-	-	-	-	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

16. Debt securities

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
At amortised cost		
Secured and fully paid		
Privately placed redeemable non-convertible debentures*	43,657.89	36,001.63
	43,657.89	36,001.63
Unsecured		
Borrowings by issue of commercial paper	5,543.79	2,241.14
Privately placed fully paid redeemable non-convertible debentures	1,813.03	-
Privately placed partly paid redeemable non-convertible debentures	-	1,522.93
	7,356.82	3,764.07
Total	51,014.71	39,765.70
Out of above		
In India	51,014.71	39,765.70
Outside India	-	-
Total	51,014.71	39,765.70

*All the Privately placed secured redeemable non-convertible debentures of the Company including those issued during the year ended 31 March 2026 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 ₹ 3,500 crore during the year ended 31 March 2026 (Previous year ₹ 500 crore). The total outstanding as on 31 March 2026 is ₹ 3,500 crore (Previous year ₹ 2,350 crore).

Terms of repayment of non-convertible debentures (NCDs)

ISIN	Coupon Rate	Issue Date	Date of Redemption	(₹ in crore)	
				As at 31 March	
				2026	2025
Redeemable at par					
INE377Y07276	5.75%	21-09-2021	21-04-2025	-	330.00
INE377Y07326	7.65%	21-07-2022	21-07-2025	-	1,050.00
INE377Y07334	7.42%	18-11-2022	12-08-2025	-	1,000.00
INE377Y07334	7.42%	12-08-2022	12-08-2025	-	625.00
INE377Y07334	7.42%	14-10-2022	12-08-2025	-	475.00
INE377Y07391	7.83%	14-12-2022	12-12-2025	-	725.00
INE377Y07466	8.00%	16-02-2024	16-02-2026	-	1,000.00
INE377Y07375	7.92%	09-11-2022	16-03-2026	-	390.00
INE377Y07375	7.92%	24-03-2023	16-03-2026	-	475.00
INE377Y07375	7.92%	13-04-2023	16-03-2026	-	2,000.00
INE377Y07425	7.78%	26-05-2023	26-05-2026	2,600.00	2,600.00
INE377Y07490	7.98%	09-07-2024	09-09-2026	1,520.00	1,520.00
INE377Y07441	8.04%	18-01-2024	18-01-2027	1,000.00	1,000.00

Notes to financial statements for the year ended 31 March 2026 (Contd.)

(₹ in crore)

ISIN	Coupon Rate	Issue Date	Date of Redemption	As at 31 March	
				2026	2025
INE377Y07557	7.14%	02-05-2025	26-02-2027	1,000.00	-
INE377Y07300	7.70%	23-05-2022	21-05-2027	1,346.00	1,346.00
INE377Y07482	8.10%	08-05-2024	08-07-2027	3,000.00	3,000.00
INE377Y07581	6.90%	12-06-2025	12-08-2027	1,000.00	-
INE377Y07383	7.98%	18-11-2022	18-11-2027	500.00	500.00
INE377Y07615	6.95%	13-10-2025	28-01-2028	1,000.00	-
INE377Y07532	7.66%	20-12-2024	20-03-2028	2,175.00	2,175.00
INE377Y07417	7.90%	28-04-2023	28-04-2028	500.00	500.00
INE377Y07565	7.02%	26-05-2025	26-05-2028	2,335.00	-
INE377Y07599	6.97%	17-07-2025	17-07-2028	1,000.00	-
INE377Y07433	7.85%	01-09-2023	01-09-2028	1,350.00	1,350.00
INE377Y07607	7.10%	16-09-2025	16-10-2028	3,000.00	-
INE377Y07623	7.25%	22-01-2026	22-01-2029	1,000.00	-
INE377Y07474	8.05%	08-05-2024	08-05-2029	1,500.00	1,500.00
INE377Y07524*	6.83%	17-10-2024	17-10-2029	1,500.00	1,500.00
INE377Y07573	7.08%	12-06-2025	12-06-2030	3,500.00	-
INE377Y07284	7.25%	29-10-2021	29-10-2031	571.00	571.00
INE377Y07359	7.89%	08-09-2022	08-09-2032	500.00	500.00
INE377Y07367	7.84%	23-09-2022	23-09-2032	500.00	500.00
INE377Y07409	8.04%	09-02-2023	09-02-2033	750.00	750.00
INE377Y07458	7.80%	09-02-2024	09-02-2034	1,500.00	1,500.00
INE377Y07508	7.89%	15-07-2024	14-07-2034	4,000.00	4,000.00
INE377Y07516	7.56%	04-10-2024	04-10-2034	1,750.00	1,750.00
INE377Y08118	8.00%	31-01-2020	07-02-2035	-	105.00
INE377Y08118	8.00%	29-01-2021	07-02-2035	-	105.00
INE377Y08118	8.00%	31-01-2022	07-02-2035	-	105.00
INE377Y08118	8.00%	31-01-2023	07-02-2035	-	105.00
INE377Y08118	8.00%	31-01-2024	07-02-2035	-	105.00
INE377Y08118	8.00%	31-01-2025	07-02-2035	-	105.00
INE377Y08134	8.00%	31-01-2020	07-02-2035	750.00	-
INE377Y08126	7.70%	13-03-2020	09-03-2035	-	147.00
INE377Y08126	7.70%	12-03-2021	09-03-2035	-	147.00
INE377Y08126	7.70%	11-03-2022	09-03-2035	-	147.00
INE377Y08126	7.70%	13-03-2023	09-03-2035	-	147.00
INE377Y08126	7.70%	13-03-2024	09-03-2035	-	147.00
INE377Y08126	7.70%	13-03-2025	09-03-2035	-	147.00
INE377Y08142	7.70%	13-03-2020	09-03-2035	1,050.00	-
INE377Y07540	7.50%	09-04-2025	09-04-2035	1,500.00	-
				43,697.00	36,144.00
Interest accrued				1,855.93	1,399.68
Fair value gain/ (loss) on NCD hedged through interest rate swap				(17.83)	43.29
Impact of EIR (including premium and discount on NCD)				(64.18)	(62.41)
Total				45,470.92	37,524.56

*Coupon rate for floating rate NCD is considered as per March 2026.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

16. Debt securities (Contd.)

Terms of repayment of commercial paper

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Issued at discount and redeemable at par		
Due within one year	5,480.87	2,230.60
Impact of EIR (including interest accrued)	62.92	10.54
Total	5,543.79	2,241.14

- Interest rate ranges from 6.36% to 7.45% p.a as at 31 March 2026 (Previous year 7.45% to 7.75% p.a).

- As at 31 March 2026, face value of commercial paper is ₹ 5,750 crore (Previous year ₹ 2,300 crore).

17. Borrowings (other than debt securities)

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
At amortised cost		
Secured		
Term loans from banks*	40,902.92	32,892.63
Loans repayable on demand from banks*		
Cash credit / Overdraft facility	274.24	256.75
Working capital demand loan/Short term loan	1,050.36	546.90
Triparty repo dealing and settlement (TREPs) against government securities	-	199.93
Term loans from National Housing Bank (NHB) [§]	10,340.88	8,372.40
Associated liabilities in respect of securitisation transactions (net of investment) [#]	73.68	-
Total	52,642.08	42,268.61
Out of above		
In India	52,642.08	42,268.61
Outside India	-	-
	52,642.08	42,268.61

***Nature of security for term loans taken from Banks**

Secured against hypothecation of book debts, loan receivables and other receivables.

§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 ₹ 3,789.34 crore during the year ended 31 March 2026 (Previous year ₹ 2,893.75 crore) against eligible individual Housing loans under various refinance schemes.

[#]Represents associated liabilities in respect of securitisation transactions, the net outstanding value (Net of Investment in Pass-through Certificates) of the proceeds received by the Company from the Trust. The Company has provided additional external credit enhancement to the Trust by way of cash collateral.

The Company has no pending charges or satisfaction which are required to be registered with ROC.

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.

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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

Terms of repayment of term loan from banks as at 31 March 2026

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	132	2,696.39	109	2,196.19	97	1,486.19	196	2,239.29	534	8,618.06
Half yearly principal payment										
More than 4 years	129	4,799.51	150	4,693.74	125	4,083.97	259	7,116.07	663	20,693.29
Yearly principal payment										
Up to 3 years	2	66.60	2	66.60	2	66.80			6	200.00
3 to 4 years	4	267.32	4	266.32	4	266.36			12	800.00
More than 4 years	7	1,063.33	18	1,580.00	19	1,480.00	33	3,616.67	77	7,740.00
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									-	4.09
Impact of EIR										(2.52)
Total									1,297	40,902.92

-Interest rate ranges from 6.28% p.a. to 7.90 % p.a. as at 31 March 2026.

Terms of repayment of term loans 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	-	-	1.00	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.

Terms of repayment of term loan from NHB as at 31 March 2026

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	156	1,140.34	208	1,520.43	208	1,520.43	801	6,159.68	1,373	10,340.88
Interest accrued										-
Impact of EIR										-
Total									1,373	10,340.88

- Interest rate ranges from 4.25 % p.a. to 8.35 % p.a. as at 31 March 2026

Notes to financial statements for the year ended 31 March 2026 (Contd.)

17. Borrowings (other than debt securities) (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 from banks

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
On maturity (Bullet)				
Up to 1 year	3	1,050.00	3	546.27
Interest accrued and impact of EIR		0.36		0.63
Total		1,050.36		546.90

-Interest rate ranges from 6.84 % p.a. to 8.2 % p.a. as at 31 March 2026.

Terms of repayment of associated liabilities in respect of securitisation transactions

Particulars	As at 31 March 2026		As at 31 March 2025	
	Total no. of instalments	₹ in crore	Total no. of instalments	₹ in crore
Original maturity over 3 years				
Due Within 1 year	2,080	5.04	-	-
Due in 1 to 2 years	2,060	5.34	-	-
Due in 2 to 3 years	2,031	5.67	-	-
Due in over 3 years	15,979	57.40	-	-
Interest accrued		0.23	-	-
Total	22,150	73.68	-	-

Interest rate ranges from 7.07% p.a. to 7.82% p.a. as at 31 March 2026.

TREPS as at 31 March 2025

Original maturity of loan	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	Total
					₹ in crore
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.

18. Deposits

Particulars	As at 31 March	
	2026	2025
Unsecured		
At amortised cost		
From others (Inter corporate deposit)	47.20	37.61
Total	47.20	37.61

Notes to financial statements for the year ended 31 March 2026 (Contd.)

Terms of repayment of Deposits as at 31 March 2026

(₹ in crore)

Original maturity	Residual maturity of deposits				Total
	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	
On maturity (Bullet)					
Up to 1 year	26.21	-	-	-	26.21
Over 1 to 2 years	2.00	-	-	-	2.00
More than 3 years	-	-	-	17.06	17.06
Interest accrued		-	-	-	1.93
Total					47.20

Interest rate ranges from 6.45 % p.a. to 7.60 % p.a.

Terms of repayment of Deposits as at 31 March 2025

(₹ in crore)

Original maturity	Residual maturity of deposits				Total
	Due within 1 year	Due 1 to 2 years	Due 2 to 3 years	More than 3 years	
On maturity (Bullet)					
Up to 1 year	32.83	-	-	-	32.83
Over 1 to 2 years	-	2.00	-	-	2.00
Over 2 to 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.

19. Other financial liabilities

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Security deposits	0.08	0.08
Lease liability ⁺	53.18	51.53
Amount payable on swaps and other derivatives	-	1.73
Payable to assignment partners	166.91	318.87
Others*	147.15	117.33
Total	367.32	489.54

* Includes unclaimed cheques, payable to insurance partners, etc.

⁺ 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 120 months). The lease agreements tenor extensions and termination conditions are subject to respective lease agreements. Lease liabilities are recognised in Balance Sheet at initial application basis incremental borrowing rate of similar tenure ranging from 6.95% to 7.85% (Previous year 7.60% to 8.00%).

a. Lease liability movement

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Opening balance	51.53	41.54
Add:		
Addition during the year	24.91	24.26
Interest on lease liability	3.85	3.45
Less:		
Deletion during the year	7.37	0.42
Lease rental payments	19.74	17.30
Closing balance	53.18	51.53

Notes to financial statements for the year ended 31 March 2026 (Contd.)

19. Other financial liabilities (Contd.)

b. Undiscounted future lease cash outflow for all leased assets

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Not later than one year	20.06	18.22
Later than one year but not later than five years	39.87	40.08
Later than five years	0.50	0.64
Total	60.43	58.94

c. Maturity analysis of lease liability

(₹ in crore)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Within 12 months	After 12 months	Within 12 months	After 12 months
Lease Liability	16.76	36.42	14.86	36.67

d. Amount recognised in Statement of Profit and Loss

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Interest on lease liabilities (Refer note no.31)	3.85	3.45
Depreciation charge for the year	16.72	14.95
(Gain)/loss on pre-mature lease closure	(0.77)	(0.04)
Expense related to short term leases	1.93	1.26
Total	21.73	19.62

e. Total cash outflow for leases

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Cash outflow for leases	19.74	17.30
Cash outflow for short term leases	1.93	1.26
Total	21.67	18.56

20. Provisions

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Provision for employee benefits		
Gratuity (refer note no. 43)	20.86	11.75
Compensated absences	3.67	1.21
Other long term service benefits	1.70	3.51
Others provisions		
Impairment allowance on undrawn loan commitments	44.30	30.82
Total	70.53	47.29

Notes to financial statements for the year ended 31 March 2026 (Contd.)

21. Other non-financial liabilities

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Statutory dues	43.19	31.73
Others	22.60	3.03
Total	65.79	34.76

22. Equity share capital

Particulars	As at 31 March 2026		As at 31 March 2025	
	Nos.	₹ in crore	Nos.	₹ in crore
Authorised				
Equity shares of ₹ 10 each	9,00,00,00,000	9,000.00	9,00,00,00,000	9,000.00
Issued				
Equity shares of ₹ 10 each	8,33,23,34,619	8,332.33	8,32,81,46,701	8,328.15
Subscribed and fully paid up				
Equity shares of ₹ 10 each fully called up and paid up	8,33,23,34,619	8,332.33	8,32,81,46,701	8,328.15
Less: Equity shares of ₹ 10 each held in Trust for employees under ESOP scheme [see footnote (f) below]	36,72,613	3.67	-	-
Total	8,32,86,62,006	8,328.66	8,32,81,46,701	8,328.15

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 2026		As at 31 March 2025	
	Nos.	₹ in crore	Nos.	₹ in crore
Outstanding at the beginning of the year	8,32,81,46,701	8,328.15	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	41,87,918	4.18	-	-
Less: Equity shares held in Trust for employees under ESOP scheme	36,72,613	3.67	-	-
Outstanding at the end of the year	8,32,86,62,006	8,328.66	8,32,81,46,701	8,328.15

The Allotment Committee allotted 41,87,918 equity shares on 11 April 2025, having face value of ₹ 10 each at applicable grant price to the Bajaj Housing Finance ESOP Trust under Employee Stock Option Scheme, 2024. Pursuant to the aforesaid allotment of equity shares, the issued, subscribed and paid-up capital of the Company stands increased to ₹ 83,28,66,20,060 (8,32,86,62,006 equity shares of ₹ 10 each).

During the financial year ended 31 March 2025, 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) on 3 April 2024 at a premium of ₹ 8.06 per share involving aggregate amount of ₹ 19,99,99,99,944.54. The Company made an Initial Public Offer (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 and on BSE Limited on 16 September 2024.

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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

22. Equity share capital (Contd.)

c. Shares held by Holding Company (Face value ₹10 per share)

Particulars	As at 31 March 2026		As at 31 March 2025	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finance Limited*	7,22,44,03,845	7,224.40	7,39,10,03,845	7,391.00

* 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 2026		As at 31 March 2025	
	Nos.	₹ in crore	Nos.	₹ in crore
Bajaj Finance Limited (Holding Company)	7,22,44,03,845	86.70%	7,39,10,03,845	88.75%

e. Details of shareholding of Promoters and Promoters group

Name of Promoter and Promoter Group	As at 31 March 2026		As at 31 March 2025		% Changes during the year	% Changes during previous year
	No. of Shares	% Holding	No. of Shares	% Holding		
Promoter						
Bajaj Finance Limited	7,22,44,03,845	86.70%	7,39,10,03,845	88.75%	(2.05%)	(11.25%)
Bajaj Finserv Limited	-	-	-	-	-	-
Promoter Group						
Sanjiv Bajaj	-	-	-	-	-	-
Bajaj General Insurance Limited	-	-	-	-	-	-
Bajaj Life Insurance 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 and 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 Financial Distributors Limited	-	-	-	-	-	-
Bajaj AIF Trustee Limited	-	-	-	-	-	-
Bajaj Alternative Investment Management Limited	-	-	-	-	-	-
Bajaj Technology Services Inc.	-	-	-	-	-	-
VH International LLC	-	-	-	-	-	-
SRB & Family LLP	-	-	-	-	-	-
SNRS Family LLP	-	-	-	-	-	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

f. Shares reserved for issue under employee stock option plan

Sr. No.	Particulars	No. of Stock options/Equity shares	
		As at 31 March	
		2026	2025
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	39,09,78,763
b.	Options granted under the scheme	2,63,46,815	1,72,38,118
c.	Options cancelled and added back to pool for future grants	16,78,923	6,82,978
d.	Options granted net of cancellation under the scheme (d = b-c)	2,46,67,892	1,65,55,140
e.	Balance available under the scheme for future grants (e = a-d)	36,63,10,871	37,44,23,623
f.	Equity shares allotted to Bajaj Housing Finance ESOP Trust	41,87,918	-
g.	Stock options exercised	5,15,305	-
h.	Balance stock options available with Bajaj Housing Finance ESOP Trust (h = f-g)	36,72,613	-

Consequent to the opinion expressed by the 'Expert Advisory Committee' of the Institute of Chartered Accountants of India on the applicability of clause 22A.1 of the SEBI Guidelines, the balance unexercised equity shares held by the trust at the close of the year have been reduced against the share capital as if the trust is administered by the Company itself. The securities premium related to the unexercised equity shares held by the trust at the close of the year aggregating to ₹ 16.34 crore (as at 31 March 2025 Nil) has also been reduced from securities premium account and adjusted against the loan outstanding from the trust.

23. Other equity

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
(i) Securities premium		
Balance as at the beginning of the year	4,744.07	837.72
Add: Received during the year		
On Right issue of shares	-	892.58
On Initial Public Offering	-	3,051.43
Allotment of shares to Bajaj Housing Finance ESOP Trust	18.64	-
Transfer on exercise of stock options by employees	1.02	-
Less: Share issues expenses (net of taxes)		
On Right issue of shares	-	0.10
On Initial Public Offering	-	37.56
Premium on equity shares held in Bajaj Housing Finance ESOP Trust for employees under the ESOP scheme as at 31 March 2026	16.34	-
Balance as at the end of the year (i)	4,747.39	4,744.07
(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	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 2026 (Contd.)

23. Other equity (Contd.)

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Addition / appropriation / withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	152.07	132.58
(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	360.00	300.00
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	700.35	548.28
(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	1,185.40	825.40
Balance as at the end of the year (ii)	1,908.41	1,396.34
(iii) Retained earnings		
Balance as at the beginning of the year	5,448.20	3,719.33
Profit for the year	2,560.34	2,162.90
Item of other comprehensive income recognised directly in retained earnings		
- on defined benefit plan	0.02	(1.45)
	8,008.56	5,880.78
Less: Appropriations:		
- Transfer to statutory reserve in terms of Section 29C of the NHB Act, 1987	152.07	132.58
- 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	360.00	300.00
Total appropriations	512.07	432.58
Balance as at the end of the year (iii)	7,496.49	5,448.20
(iv) Share options outstanding account		
Balance as at the beginning of the year	16.97	-
Add: Share based payment to employees	32.06	16.97
Less: Transfer on exercise of stock options by employees	1.02	-
Balance at the end of the year (iv)	48.01	16.97
(v) Other comprehensive income		
On debt instrument through OCI		
Balance at the beginning of the year	13.07	0.53
Add: Gains/(losses) on Investment measured at FVOCI	(25.71)	16.76
Add: Tax impact on above	6.47	(4.22)
Balance at the end of the year (v)	(6.17)	13.07
Total (i to v)	14,194.13	11,618.65

Notes to financial statements for the year ended 31 March 2026 (Contd.)

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 previous 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:

- (a) actuarial gains and losses and
- (b) return on plan assets, excluding amounts included in net interest on the net defined benefit liability/ (asset).

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 instrument 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	
	2026	2025
Balance as at the beginning of the year	-	-
Fair value changes	(170.58)	29.45
Impairment loss allowances transferred to profit or loss	170.58	(29.45)
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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

24. Interest income

(₹ in crore)

Particulars	For the year ended 31 March 2026				For the year ended 31 March 2025			
	On financial assets measured at				On financial assets measured at			
	Amortised Cost*	FVOCI*	FVTPL	Total	Amortised Cost*	FVOCI*	FVTPL	Total
On loans [#]	8,429.95	1,895.72	-	10,325.67	2,862.35	5,939.36	-	8,801.71
On investments	8.96	107.27	66.78	183.01	3.74	61.03	94.34	159.11
On deposits	2.47	-	-	2.47	24.99	-	-	24.99
Other interest income	0.46	-	-	0.46	0.34	-	-	0.34
Total	8,441.84	2,002.99	66.78	10,511.61	2,891.42	6,000.39	94.34	8,986.15

*As per effective interest rate (EIR). Refer note no. 3.1(i)

[#]Net of interest on credit impaired assets amounting to ₹ 29.95 crore (Previous year ₹ 25.37 crore).

25. Fees and commission income

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Distribution income	214.02	145.08
Service and administration charges	40.45	33.67
Foreclosure income	42.64	22.43
Total	297.11	201.18

26. Net gain on fair value changes

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Net gain/ (loss) on financial instruments measured at fair value through profit or loss on trading portfolio*		
Realised gain/(loss) on investments at FVTPL	56.61	164.00
Unrealised gain/(loss) on investments at FVTPL [#]	0.11	0.26
Net gain/ (loss) on financial instruments measured at fair value through other comprehensive income		
Realised gain/(loss) on investments at FVOCI debt instruments	29.61	-
Total	86.33	164.26

[#] 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

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Service charges	-	5.54
Service fees for management of assigned portfolio of loans	20.57	27.30
Total	20.57	32.84

Notes to financial statements for the year ended 31 March 2026 (Contd.)

28. Income on derecognised (assigned) loans

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Income on derecognised (assigned) loans	195.35	143.73
Total	195.35	143.73

29. Other operating income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Digital advertisement charges	35.27	24.62
Miscellaneous charges and receipts	0.96	1.20
Total	36.23	25.82

In current year, the Company changed presentation of recoveries against written-off loans from 'Other operating income' to 'Impairment of financial instruments' across all periods. This presentation change led to a reduction in other operating income and impairment of financial instruments to the extent of ₹ 13.46 crore in financial year ended 31 March 2026 and ₹ 21.63 crore in financial year ended 31 March 2025.

30. Other income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Rent income	0.23	0.22
Interest on income tax refund	2.66	-
Miscellaneous income	0.20	0.13
Total	3.09	0.35

31. Finance costs

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Finance cost on financial liabilities measured at amortised cost:		
On debt securities	3,582.74	2,582.28
On borrowings other than debt securities	3,169.20	3,385.85
On deposits	3.08	7.46
On lease liability	3.85	3.45
Other interest expense		
On net defined benefit liability of gratuity	0.52	0.22
Total	6,759.39	5,979.26

32. Fees and commission expenses

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Loan portfolio management service charges	12.54	11.90
Others*	0.55	0.03
Total	13.09	11.93

*includes credit guarantee fees, brokerage, etc.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

33. Impairment on financial instruments

(₹ in crore)

Particulars	For the year ended 31 March 2026			For the year ended 31 March 2025		
	At Amortised Cost	At FVOCI	Total	At Amortised Cost	At FVOCI	Total
On loans [#]	120.26	69.04	189.30	30.43	27.41	57.84
On others	1.38	-	1.38	0.61	-	0.61
Total	121.64	69.04	190.68	31.04	27.41	58.45

[#] includes bad debts written off of ₹ 23.68 crore (Previous year ₹ 0.58 crore), after netting off recoveries of ₹ 13.46 crore (Previous year ₹ 21.63 crore)

In current year, the Company changed presentation of recoveries against written-off loans from 'Other operating income' to 'Impairment of financial instruments' across all periods. This presentation change led to a reduction in other operating income and impairment of financial instruments.

34. Employee benefits expenses

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Employees emoluments	501.34	418.66
Contribution to provident fund and other funds	16.71	13.95
Gratuity expense (Refer note no. 43)	(5.11)	6.08
Share based payments to employees	42.81	38.86
Staff welfare expenses	3.46	6.08
Total	559.21	483.63

35. Other expenses

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Outsourcing / back office expenses	45.13	36.00
Information technology expenses	43.15	39.71
Expenditure towards Corporate Social Responsibility activities ⁺	43.41	31.42
Travelling expenses	31.95	28.61
Repairs, maintenance and office expenses	17.28	17.04
Communication expenses	12.33	10.34
Legal and professional charges	9.30	8.15
Employee training, recruitment and management cost	8.28	8.06
Rent, taxes and energy cost	7.58	5.60
Director's fees, commission and expenses	4.65	4.81
Advertisement, branding and promotion expenses	4.03	3.75
Net loss on disposal of property, plant and equipment	0.91	2.72
Customer experience cost	2.21	2.13
Bank charges	2.06	2.03
Printing and stationery expenses	2.16	1.97
Auditors' fees and expenses*	0.91	0.78
Insurance charges	0.35	0.34
Miscellaneous expenses	11.74	6.22
Total	247.43	209.68

Notes to financial statements for the year ended 31 March 2026 (Contd.)

*** Auditors' fees and expenses #**

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
As auditor		
Audit fee	0.42	0.42
Tax audit fee	0.06	0.06
Limited review fee	0.13	0.11
In other capacity		
Other services	0.11	0.05
Reimbursement of expenses	0.11	0.08
Total	0.83	0.72
Total including GST disallowance	0.91	0.78

Excludes fees of ₹ 1.31 crore (including GST disallowance) incurred during the financial year ending 31 March 2025 in respect of funds raised through Initial Public Offer, adjusted against securities premium.

+ Corporate social responsibility expenditure

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
(a) Gross amount required to be spent by the Company during the year	43.41	31.42
(b) Amount spent during the year on		
(i) Construction/acquisition of any asset	-	-
(ii) On purposes other than (i) above	43.83	31.76
(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,iii,iv	Activities mentioned in i, ii
(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	
	2026	2025
Opening balance	1.47	1.13
Amount spent during the year	43.83	31.76
	45.30	32.89
Amount required to be spent during the year	43.41	31.42
Closing balance	1.89	1.47

36. Exceptional Items

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Impact due to new labour codes	13.14	-
Total	13.14	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

36. Exceptional Item (Contd.)

On 21 November 2025, the Government of India consolidated 29 existing labour legislations into a unified framework comprising 4 Labour codes. In accordance with the requirements of Ind AS 19 'Employee Benefits', these changes have resulted in an increase in the past service cost of gratuity by ₹13.14 crore. Considering that the enactment of the new legislation is a non-recurring event, the Company has presented this one-time charge under 'Exceptional Item'. The Company continues to monitor the finalisation of the Central and State Rules and clarifications from the Government on the New Labour Codes and shall provide appropriate accounting effect based on such developments, as necessary.

37. Earnings per share (EPS)

Basic EPS is calculated in accordance with Ind AS 33 'Earning Per Share' 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	
	2026	2025
(A) Net profit attributable to equity shareholders (₹ in crore)	2,560.34	2,162.90
(B) Weighted average number of equity shares for basic earnings per share	8,32,85,17,918	8,09,21,76,495
Effects of dilution:		
Employee stock option	58,19,948	64,13,362
(C) Weighted average number of equity shares for diluted earnings per share	8,33,43,37,866	8,09,85,89,857
Earning per share (Basic) (₹) (A/B)	3.07	2.67
Earning per share (Diluted) (₹) (A/C)	3.07	2.67

38. 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 2026 and 31 March 2025.

39. Penalties imposed by NHB/RBI and other regulators

No penalty was imposed by NHB/RBI and any other regulators in the current year and previous year.

40(a). 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.

40(b). Transfer of financial assets that are not derecognised in their entirety

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Securitisations		
Carrying amount of transferred assets measured at amortised costs	77.49	-
Carrying amount of associated liabilities - Borrowing other than debt securities (measured at amortised cost)	73.68	-
Fair value of assets (A)	77.49	-
Fair value of associated liabilities (B)	73.68	-
Net position at Fair Value (A-B)	3.81	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

41. Revenue from contract with customers

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Type of Services		
(i) Fees and service income		
Distribution income	214.02	145.08
Service and administration charges	40.45	33.67
Foreclosure income	42.64	22.43
Service Charges	-	5.54
(ii) Other services		
Digital advertisement charges	35.27	24.62
Total	332.38	231.34
Geographical markets		
India	332.38	231.34
Outside India	-	-
Total	332.38	231.34
Timing of revenue recognition		
Services transferred at a point in time	297.11	206.72
Services transferred over time	35.27	24.62
Total	332.38	231.34

Contract balances

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Fees, commission and other receivables	27.91	21.97

Impairment allowance recognised for contract balances is ₹ 0.11 crore (Previous year ₹ 0.09 crore)

42. 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	
	2026	2025
(i) Income from insurance intermediation		
Commission income- Life Insurance	212.28	114.70
Commission income- General Insurance	1.74	4.94
(ii) Other income/reimbursement of cost		
Marketing, branding and allied services	35.27	24.62
Reimbursement of manpower cost	6.78	-
Total	256.07	144.26

43. Employee benefits plan

(I) Defined benefit plans

Defined benefit plans may be unfunded, or they may be wholly or partly funded by contributions by the Company, into an entity, or fund from which the employee benefits are paid. The Company is liable to make differential payment for any shortfall between defined benefit payments and the contribution made by the Company.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

43. Employee benefits plan (Contd.)

Gratuity

With the introduction of the Code on Social Security (CoSS), 2020 w.e.f. 21 November 2025, the Payment of Gratuity Act, 1972 is repealed. While the Act has been repealed, its core provisions have been incorporated into the new Code.

The Company has a gratuity plan for its employees which is higher of:

- Gratuity computed on the basis of wages (as defined in CoSS) or ₹ 20 Lakh, whichever is lower; and
- Gratuity computed on the basis of Company's gratuity scheme.

Employees other than fixed term employees, who are in continuous service for a period of 5 years; and fixed-term employees who are in continuous service for a period of one year, are eligible for gratuity. The level of benefits provided depends on the employee's length of service and salary at retirement age.

Gratuity plan is funded by the Company. Payment for present liability of future payment of gratuity is made to the approved gratuity fund under cash accumulation policy and debt fund. Any deficits/ surplus in plan assets as compared to actuarial liability determined by an actuary are recognised as a liability/ asset.

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 an actuary and past trend. Gains and losses through remeasurements of the net defined 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 is recognised in Statement of Profit and Loss. Remeasurements are not reclassified to profit or loss in subsequent periods.

Risk associated with defined benefit plan

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, although this will be partially offset by an increase in the value of the plan assets.
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

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Defined benefit obligation as at the beginning of the year	48.27	40.29
Current service cost	7.91	6.08
Past service cost	0.71	-
Interest on defined benefit obligation	2.96	2.80
Remeasurement (gain)/ loss due to:		
Actuarial (gain)/ loss arising from change in financial assumptions	(1.28)	1.63
Actuarial (gain)/ loss arising from change in demographic assumptions	-	-
Actuarial (gain)/ loss arising on account of experience changes	0.13	0.40
Benefits paid	(3.00)	(2.66)
Liabilities assumed / (settled)*	(1.08)	(0.27)
Defined benefit obligation as at the end of the year	54.62	48.27

* On account of business combination within the group.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

(ii) Movement in plan assets

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Fair value of plan asset as at the beginning of the year	36.52	36.77
Interest on plan assets	2.44	2.58
Remeasurements due to:		
Actual return on plan assets less interest on plan assets	(1.12)	0.10
Benefits paid	(3.00)	(2.66)
Assets acquired/(settled)*	(1.08)	(0.27)
Fair value of plan asset as at the end of the year	33.76	36.52

* On account of business combination within the group.

(iii) Reconciliation of net liability/(asset)

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Net defined benefit liability/(asset) as at the beginning of the year	11.75	3.52
Expenses charged to Statement of Profit and Loss	9.14	6.30
Amount recognised in other comprehensive income	(0.03)	1.93
Net defined benefit liability/(asset) as at the end of the year	20.86	11.75

(iv) Expenses charged to the Statement of Profit and Loss

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Current service cost	7.91	6.08
Past service cost*	0.71	-
Interest cost	0.52	0.22
Total	9.14	6.30

*after netting off impact due to change in gratuity plan for senior staff.

(v) Remeasurement (gains)/losses in other comprehensive income

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
Opening amount recognised in other comprehensive income	2.36	0.43
Changes in financial assumptions	(1.28)	1.63
Changes in demographic assumptions	-	-
Experience adjustments	0.13	0.40
Actual return on plan assets less interest on plan assets	1.12	(0.10)
Closing amount recognised in other comprehensive income	2.33	2.36

(vi) Amount recognised in Balance Sheet

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Present value of funded defined benefit obligation (A)	54.62	48.27
Fair value of plan assets (B)	33.76	36.52
Net defined benefit liability/(asset) recognised in Balance Sheet (A-B)	20.86	11.75

Notes to financial statements for the year ended 31 March 2026 (Contd.)

43. Employee benefits plan (Contd.)

(vii) Key actuarial assumptions

Particulars	As at 31 March	
	2026	2025
Discount rate (p.a)	7.10%	6.80%
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 groups)	7%/9%/10%/16%/18%/ 35%	7%/9%/ 10%/16%/18%
Category of plan assets		
Insurer managed funds	100%	100%

*For non permanent employees: 5%

(viii) Sensitivity analysis for significant assumptions is as shown below

Particulars	As at 31 March 2026		As at 31 March 2025	
	Discount rate	Salary escalation rate	Discount rate	Salary escalation rate
Impact of increase in 50 bps on defined benefit obligation	(3.80%)	3.46%	(4.20%)	4.29%
Impact of decrease in 50 bps on defined benefit obligation	4.06%	(3.30%)	4.49%	(4.06%)

(ix) Projected plan cash flow

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Maturity Profile		
Expected benefits for year 1	6.35	3.35
Expected benefits for year 2	5.35	3.59
Expected benefits for year 3	5.15	3.67
Expected benefits for year 4	5.08	3.74
Expected benefits for year 5	4.96	3.82
Expected benefits for year 6	7.87	3.86
Expected benefits for year 7	5.61	8.72
Expected benefits for year 8	3.70	5.82
Expected benefits for year 9	3.65	3.09
Expected benefits for year 10 and above	59.61	57.26

(x) Expected contribution to fund in the next year

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Expected contribution to fund in the next year	10.00	2.00

(II) Defined Contribution plans

The Company makes contributions to provident fund under the Code on Social Security for qualifying employees. Amount recognised as an expense in the Statement of Profit and Loss are as follows

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Provident fund and pension scheme of EPFO	14.84	12.59
National Pension Scheme	3.41	1.35
Employees' State Insurance Corporation and Labour Welfare Fund	0.48	0.01

Notes to financial statements for the year ended 31 March 2026 (Contd.)

(III) Other long-term employee benefits

(a) Compensated absences

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Present value of unfunded obligations	0.98	-
Expense recognised in the Statement of Profit and Loss	0.98	-
Discount rate (p.a.)	7.10%	-
Salary escalation rate (p.a.)	11.00%*	-

*For non permanent employees: 5%

(b) Long-term service benefit liability

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Present value of unfunded obligations	1.70	3.51
Expense recognised in the Statement of Profit and Loss	(1.42)	0.81
Discount rate (p.a.)	7.10%	6.80%

44. Contingent liabilities and commitments

(a) Contingent liabilities not provided for in respect of

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Disputed claims against the Company not acknowledged as debts	7.68	5.97
Bank Guarantee	0.25	0.25
Goods and Service Tax matters under appeal		
On credit notes reported by the Company in GST returns	0.37	0.34
Income Tax Matter		
Appeals by the Company	23.13	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	
	2026	2025
(i) Capital commitments (Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances))		
- Tangible	0.50	0.34
- Intangible	0.06	0.08
(ii) Other commitments (towards partially disbursed / sanctioned but not disbursed)	36,330.31	5,242.67

Notes to financial statements for the year ended 31 March 2026 (Contd.)

45. Changes in liabilities arising from financing activities

(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 2026

Particulars					(₹ in crore)
	As at 1 April 2025	Cash flows	Change in fair value	Other*	As at 31 March 2026
Debt securities	39,765.70	10,826.22	(17.83)	440.62	51,014.71
Borrowing (other than debt securities)	42,268.61	10,374.35	-	(0.88)	52,642.08
Deposits	37.61	9.23	-	0.36	47.20
Lease liability	51.53	(15.89)	-	17.54	53.18
Total	82,123.45	21,193.91	(17.83)	457.64	1,03,757.17

For the year ended 31 March 2025

Particulars					(₹ in crore)
	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

* Other includes Interest accrued and EIR adjustments.

46. Disclosure of transactions with related parties as required by Ind AS 24

Name of the related party and nature of relationship	Nature of transactions	(₹ in crore)			
		FY 2025-26		FY 2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
A. Ultimate Holding Company					
Bajaj Finserv Limited	Secured non-convertible debentures issued	-	-	-	(200.00)
	Secured non-convertible debentures redemption	200.00	-	200.00	-
	Interest paid on non-convertible debentures	15.85	-	27.25	-
	Business support charges paid	0.86	-	1.08	-
	Amount paid under ESOP recharge arrangements	0.65	-	0.65	-
B. Holding Company					
Bajaj Finance Limited	Contribution to equity shares [7,22,44,03,845 shares at face value of ₹10 each]	-	(7,224.40)	-	(7,391.00)
	Equity contribution received (including premium)	-	-	2,000.00	-
	Amount paid under ESOP recharge arrangements	10.03	-	21.17	-
	Loan portfolio assigned out	3,645.28	-	3,361.67	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transactions	FY 2025-26		FY 2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
	Purchase of property, plant and equipment	0.43	-	0.02	(0.02)
	Sale of property, plant and equipment	0.74	-	0.93	-
	Security deposit received for leased premises	-	(0.08)	-	(0.08)
	Sourcing commission paid	6.31	(0.79)	5.68	(0.63)
	Business support charges paid	3.01	-	3.67	-
	Servicing fee paid	6.09	-	7.66	-
	Reimbursement of offer expenses pursuant to Initial Public Offer of the Company	-	-	23.12	1.98
	Business support charges received	0.33	-	0.55	-
	Servicing fee received	25.42	0.10	34.77	-
	Rent income	0.23	0.02	0.22	-
	Sourcing commission received	-	-	0.16	-
C. Fellow Subsidiaries					
1. Bajaj Financial Securities Limited (Promoter group)	Company's contribution towards NPS	1.83	-	1.44	-
	Sourcing commission paid	0.01	-	-	-
2. Bajaj Finserv Direct Limited (Promoter group)	Purchase of property, plant and equipment	0.15	-	-	-
	Business support charges and commission paid	1.97	-	2.32	(0.13)
	Software development charges paid	0.96	-	0.37	-
3. Bajaj Finserv Health Limited (Promoter group)	Fees and commission received	-	-	19.98	-
4. Bajaj Finserv Venture Limited (Promoter group)	NIL	-	-	-	-
5. Bajaj General Insurance Limited (Formerly known as Bajaj Allianz General Insurance Company Limited) (Promoter group)	Secured non-convertible debentures issued	-	(700.00)	-	(600.00)
	Interest paid on non-convertible debentures	47.42	-	19.40	-
	Advance towards insurance expenses	-	5.69	-	4.37
	Insurance expenses	3.86	-	4.02	-
	Commission income	1.74	0.09	4.94	1.14
6. Bajaj Life Insurance Limited (Formerly known as Bajaj Allianz Life Insurance Company Limited) (Promoter group)	Unsecured non-convertible debentures issued	248.00	(1,550.00)	217.00	(1,302.00)
	Secured non-convertible debentures issued	-	(150.00)	-	(150.00)
	Interest paid on non-convertible debentures	113.84	-	84.81	-
	Advance towards insurance expenses	-	1.56	-	0.35
	Insurance expenses	0.27	-	0.83	-
	Commission income	61.02	5.65	21.30	2.27
	Digital advertisement charges received	4.13	0.19	3.08	0.38

Notes to financial statements for the year ended 31 March 2026 (Contd.)

46. Disclosure of transactions with related parties as required by Ind AS 24 (Contd.)

		(₹ in crore)			
		FY 2025-26		FY 2024-25	
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
D. Associates of Holding Company					
1. Snapwork Technologies Private Limited (Promoter group)	Information technology design and development charges	0.60	-	0.49	-
	Support charges paid	0.26	-	0.24	-
2. Pennant Technologies Private Limited (Promoter group)	Information technology design and development charges	9.23	-	7.55	-
	Support charges paid	2.86	-	2.34	-
E. Key Management Personnel (KMP) and close members of KMP					
1. Sanjiv Bajaj (Chairman and Promoter group)	Short term benefits - Sitting Fees	0.17	-	0.19	-
	Short term benefits - Commission	0.34	(0.31)	0.38	(0.34)
2. Rajeev Jain (Vice Chairman)	Short term benefits - Sitting Fees	0.34	-	0.33	-
	Short term benefits - Commission	0.58	(0.52)	0.66	(0.59)
3. Atul Jain (Managing Director)	Short term employee benefits - Remuneration	19.88	(7.62)	16.37	(4.86)
	Share based payment	12.66	-	11.87	-
4. Anami N Roy (Director)	Short term benefits - Sitting Fees	0.31	-	0.27	-
	Short term benefits - Commission	0.48	(0.43)	0.54	(0.49)
5. Dr. Arindam K Bhattacharya (Director)	Short term benefits - Sitting Fees	0.24	-	0.31	-
	Short term benefits - Commission	0.48	(0.43)	0.62	(0.56)
6. Jasmine Arish Chaney (Director)	Short term benefits - Sitting Fees	0.32	-	0.26	-
	Short term benefits - Commission	0.50	(0.45)	0.52	(0.47)
7. S M Narasimha Swamy (Director w.e.f. 1 Aug 2024)	Short term benefits - Sitting Fees	0.16	-	0.11	-
	Short term benefits - Commission	0.32	(0.29)	0.22	(0.20)
8. Ajay Kumar Choudhary (Director w.e.f. 1 Mar 2026)	Short term benefits - Sitting Fees	0.01	-	-	-
	Short term benefits - Commission	0.02	(0.02)	-	-
9. Gaurav Kalani (Chief Financial Officer)*	Short term employee benefits	3.18	(0.75)	2.70	(0.53)
	Share based payment	1.04	-	0.98	-
10. Atul Patni (Company Secretary)*	Short term employee benefits	0.69	(0.24)	0.55	(0.09)
	Share based payment	0.15	-	0.13	-
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	2.98	-	2.32	-
	Rent expense	0.07	-	0.06	-
2. Bajaj Holdings and Investment Limited (Promoter group)	Security deposit paid for leased premises	0.19	0.19	-	-
	Rent expense	0.26	-	-	-
	Business support charges paid	1.79	-	1.82	-
3. Maharashtra Scooters Limited	Secured non-convertible debentures issued	-	(50.00)	-	(50.00)
	Secured non-convertible debentures redemption	-	-	25.00	-
	Interest paid on non-convertible debentures	4.05	-	2.08	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

(₹ in crore)

Name of the related party and nature of relationship	Nature of transactions	FY 2025-26		FY 2024-25	
		Transaction value	Outstanding amounts carried in Balance Sheet	Transaction value	Outstanding amounts carried in Balance Sheet
4. Hind Musafir Agency Limited	Services received	3.29	-	4.29	-
5. Bajaj Staffing Solutions Limited (Formerly known as Bajaj Allianz Staffing Solutions Limited)	Outsourcing manpower supply services	86.91	-	104.06	-
6. Fleur Hotels Private Limited	Services received	-	-	0.01	-
7. Bajaj Financial Distributors Limited (Formerly known as 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	-	-	-	-
13. Bajaj AIF Trustee Limited (Promoter group)	Nil	-	-	-	-
14. Bajaj Alternative Investment Management Limited (Promoter group)	Nil	-	-	-	-
15. Bajaj Technology Services Inc. (Promoter group)	Nil	-	-	-	-
16. VH International LLC (Promoter group)	Nil	-	-	-	-
17. SRB & Family LLP (Promoter group)	Nil	-	-	-	-
18. SNRS Family LLP (Promoter group)	Nil	-	-	-	-

*Key managerial personnel as per section 2(51) of the Companies Act, 2013. Disclosure of transactions made in compliance with Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025

Notes to financial statements for the year ended 31 March 2026 (Contd.)

46. 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 Ind AS 24 'Related Party Disclosures'.
- 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 between the related parties. 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 2026, 19 non-corporate related parties held Company's equity shares amounting to ₹ 0.05 crore (47,384 shares of ₹ 10 each) (Previous Year 58,290 shares of ₹ 10 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	Balance outstanding as at 31 March	
		FY 2025-26	FY 2024-25
1	Short-term employee benefits	23.75	19.62
2	Share-based payment	13.85	12.98
3	Post-employment benefits	-	-
4	Other long-term benefits	-	-
5	Termination benefits	-	-
	Total	37.60	32.60

47. 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	
			2026	2025
CSE Computer Solutions East Pvt Ltd	Loan given	Not Related Party	0.29	0.32
Satidham Industries Pvt Ltd	Equity Shares of face value ₹10 (₹50,000, Previous year ₹40,000)	Not Related Party	-	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

48. 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 minimum regulatory requirement of 15%. 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	
	2026	2025
Tier I capital	21,994.67	19,456.12
Tier II capital	444.93	367.09
Total capital	22,439.60	19,823.21
Total risk weighted assets	99,906.32	70,188.39
Tier I CRAR	22.01%	27.72%
Tier II CRAR	0.45%	0.52%
Total CRAR	22.46%	28.24%

49. Analytical ratios

Ratio	Numerator (₹ in crore)	Denominator (₹ in crore)	As at 31 March 2026	As at 31 March 2025
Capital to risk-weighted assets ratio (CRAR)	22,439.60	99,906.32	22.46%	28.24%
Tier I CRAR	21,994.67	99,906.32	22.01%	27.72%
Tier II CRAR	444.93	99,906.32	0.45%	0.52%
Liquidity Coverage Ratio	2,652.49	1,739.08	152.52%	192.81%

50. 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 2026 (Contd.)

51. 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 financial instruments, other than those which are subsequently measured at amortised cost, have been arrived at as under:

- Fair values of investments held for trading under FVTPL and investments held under FVOCI have been determined under level 1 (Refer note 52) 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.

52. 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 active 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 2026 (Contd.)

Quantitative disclosures of fair value measurement hierarchy for financial instruments measured at fair value on recurring basis as at 31 March 2026

(₹ 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 2026	30.19	-	-	30.19
Investments designated under FVOCI	31 March 2026	2,472.02	-	-	2,472.02
Loans designated under FVOCI	31 March 2026	-	-	25,757.95	25,757.95
Derivative financial instruments (at FVTPL)	31 March 2026	-	(61.58)	-	(61.58)

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 instruments (at FVTPL)	31 March 2025	-	41.22	-	41.22

- 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 2026

(₹ 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	161.80	161.80	-	-	161.80
Bank balances other than cash and cash equivalents	3.80	3.80	-	-	3.80
Trade receivables	27.80	-	-	27.80	27.80
Loans at amortised cost*	97,987.10	-	-	97,987.10	97,987.10
Other financial assets	440.18	-	-	440.18	440.18
Total financial assets	98,620.68	165.60	-	98,455.08	98,620.68
Financial liabilities					
Trade payables	126.10	-	-	126.10	126.10
Other payables	155.92	-	-	155.92	155.92
Debt securities	51,014.71	-	50,902.17	-	50,902.17
Borrowings (other than debt securities)	52,642.08	-	-	52,642.08	52,642.08
Deposits	47.20	-	-	47.20	47.20
Other financial liabilities	367.32	-	-	367.32	367.32
Total financial liabilities	1,04,353.33	-	50,902.17	53,338.62	1,04,240.79

*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 2026 (Contd.)

52. Fair value hierarchy (Contd.)

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.

53. 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 	Board appointed Risk Management Committee (RMC) and Asset Liability Committee (ALCO)	<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 statements. 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. monitored by <ul style="list-style-type: none"> assessment of the gap between maturity of its assets and liabilities. 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 liquidity buffers, sourcing of long-term funds, positive asset liability mismatch, keeping strong pipeline of sanctions from banks and assignment of loans under the guidance of ALCO and Board.

Notes to financial statements for the year ended 31 March 2026 (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, PV01 (price value of a basis point), modified duration analysis and other measures to determine movements in the portfolios and impact on net interest income, including the sensitivity of net interest income. monitored by assessment of key parameters like fluctuation in the prices of investments, movements of interest rate under simulated stress test scenarios given range of probable interest rate movements on both fixed and floating assets and liabilities. 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 Key Risk Indicators (KRIs) established for each of the processes/ functions, system to identify potential risks arising from operational weaknesses/ which serve as early-warning indicators of potential operational risk exposures. monitored on an ongoing basis by tracking KRIs against predefined threshold limits. Breaches of KRI thresholds if any are reviewed and reported to the Operational Risk Management Committee (ORMC) and Risk Management committee (RMC). In addition, operational risk is monitored through Risk and Control Self-Assessment (RCSA) and loss data management practices. managed by ORM unit in coordination with the respective businesses/ functions along with ORM SPOCs identified under each business unit. Oversight and guidance are provided by Senior management and management level committees viz ORM Committee and Risk Management Committee.

53. 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. The Company for the first time raised funds by way of securitisation of loans receivables in FY 2026. 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 ₹ 1,03,703.99 crore as of 31 March 2026 (Previous year ₹ 82,071.92 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 investments for the financial year 2025-26 was ₹ 3,979 crore. Liquidity buffer was at ₹ 2,662 crore as on 31 March 2026.

RBI has issued guidelines on liquidity risk framework for NBFCs, covering 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 Board approved Liquidity Risk Management Framework which covers liquidity risk management policy, strategies and practices, liquidity coverage ratio (LCR), stress testing, contingency funding plan, maturity profiling, liquidity risk measurement – stock approach, currency risk, interest rate risk and liquidity risk monitoring framework.

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 2026, the Company maintained a LCR of 152.52%, 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 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Debt securities	15,172.03	48,839.13	64,011.16	13,195.38	38,241.74	51,437.12
Borrowings (other than debt securities)	14,828.91	47,040.08	61,868.99	10,223.83	40,905.91	51,129.74
Deposits	31.34	21.89	53.23	36.76	2.15	38.91
Derivative Financial Instruments	-	61.58	61.58			
Trade payables	126.10	-	126.10	76.46	-	76.46
Other payables	135.03	20.89	155.92	104.29	-	104.29
Other financial liabilities	334.12	40.45	374.57	456.15	40.80	496.95
Total	30,627.53	96,024.02	1,26,651.55	24,092.87	79,190.60	1,03,283.47

Notes to financial statements for the year ended 31 March 2026 (Contd.)

The table below shows contractual maturity profile of carrying value of assets and liabilities:

(₹ in crore)

Particulars	As at 31 March 2026			As at 31 March 2025		
	Within 12 months	After 12 months	Total	Within 12 months	After 12 months	Total
Assets						
Financial assets						
Cash and cash equivalents	161.80	-	161.80	61.63	-	61.63
Bank balances other than cash and cash equivalents	3.73	0.07	3.80	0.06	0.09	0.15
Derivative financial instrument	-	-	-	-	41.22	41.22
Trade receivables	27.80	-	27.80	21.88	-	21.88
Loans	5,315.43	1,18,429.62	1,23,745.05	3,897.82	95,615.04	99,512.86
Investments	457.22	2,044.99	2,502.21	1,252.66	1,280.66	2,533.32
Other financial assets	123.47	316.71	440.18	102.77	260.69	363.46
Non-financial assets						
Current tax assets (net)	-	25.27	25.27	-	75.53	75.53
Deferred tax assets (net)	-	56.35	56.35	-	44.14	44.14
Property, plant and equipment	-	110.95	110.95	-	100.34	100.34
Intangible assets under development	-	0.15	0.15	-	0.52	0.52
Other intangible assets	-	43.12	43.12	-	40.23	40.23
Other non-financial assets	30.35	0.02	30.37	13.47	-	13.47
Total assets	6,119.80	1,21,027.25	1,27,147.05	5,350.29	97,458.46	1,02,808.75
Liabilities						
Financial liabilities						
Derivative financial instrument	-	61.58	61.58	-	-	-
Trade payables	126.10	-	126.10	76.46	-	76.46
Other payables	135.03	20.89	155.92	104.29	-	104.29
Debt securities	13,514.52	37,500.19	51,014.71	11,699.24	28,066.46	39,765.70
Borrowings (other than debt securities)	11,865.63	40,776.45	52,642.08	7,467.30	34,801.31	42,268.61
Deposits	30.14	17.06	47.20	35.61	2.00	37.61
Other financial liabilities	330.82	36.50	367.32	452.79	36.75	489.54
Non-financial liabilities						
Current tax liabilities (net)	73.03	-	73.03	37.69	-	37.69
Provisions	6.05	64.48	70.53	2.73	44.56	47.29
Other non-financial liabilities	65.79	-	65.79	34.76	-	34.76
Total Liabilities	26,147.11	78,477.15	1,04,624.26	19,910.87	62,951.08	82,861.95

(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.

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:

Notes to financial statements for the year ended 31 March 2026 (Contd.)

53. Risk management objectives and policies (Contd.)

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Principal Outstanding	Impact in Statement of Profit and Loss	
		1 % increase	1 % decrease
Loans	1,23,676.94	1,236.77	(1,236.77)
Debt securities	5,000.45	(50.00)	50.00
Borrowings (other than debt securities)	50,133.54	(501.34)	501.34

Sensitivity analysis as at 31 March 2025

(₹ in crore)

Particulars	Principal Outstanding	Impact in Statement of Profit and Loss	
		1 % increase	1 % decrease
Loans	99,496.40	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

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, PV01 and Modified Duration and other parameters as defined in its investment and market risk policy:

Sensitivity analysis as at 31 March 2026

(₹ in crore)

Particulars	Carrying value	Fair value	Impact in Statement of Profit and Loss	
			1 % increase	1 % decrease
Investment at FVTPL	30.19	30.19	0.30	0.30

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)

(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.

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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

Treatment and classification methodology of different stages of financial assets is detailed in note no. 3.3 (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 3.3 (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 risk based categorization framework for commercial portfolio		100%	Ascertained based on past trends of proportion of outstanding at time of default to the opening outstanding of the analysis period, except Stage 3 where EAD is 100%.	LGD is ascertained using past trends of recoveries for each set of portfolios and discounted using a reasonable approximation of the original effective rates of interest.
Loan against property					
Lease rental discounting					
Developer loans					
Other loans					

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 2026

(₹ in crore)

Particulars	Secured			Unsecured		
	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Gross carrying value	1,21,446.37	437.85	311.00	2,245.41	15.25	19.17
Allowance for ECL	390.92	127.09	181.51	9.83	4.80	15.85
ECL coverage ratio	0.32%	29.03%	58.36%	0.44%	31.48%	82.68%

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%

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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

53. Risk management objectives and policies (Contd.)

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.

Guarantee cover taken on loans

The Company takes guarantee cover for certain qualifying portfolios under Credit Risk Guarantee Fund Trust for Low Income Housing (CRGFTLIH) governed by National Credit Guarantee Trustee Company Limited (NCGTC).

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.

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), core inflation, industrial production index, unemployment rate, crude oil prices and policy interest rates.

Based on past correlation trends, 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 and Programme Implementation, Government of India.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

- While formulating the central scenario, the Company has considered average growth rate of 7% for next year.
- In the downside scenario, factoring in heightened geopolitical risks and a potential war-related disruption, GDP growth is assumed to decline to -2%. However, consistent with a mean reversion approach, this contraction is considered temporary. The scenario assumes that growth gradually rebounds from the trough and normalizes to approximately 8% , reflecting economic stabilization and recovery following the shock.
- For the upside scenario, the Company acknowledges various surveys and studies indicating improving economic situation and estimates GDP growth rate might reach to 14%. Subsequently, as per mean reversion approach, the upside scenario assumes it to normalise from the peak and normalise to around 8% within next three years.

For Inflation data, the Company has considered RBI reports and data published by Ministry of Statistics & Programme Implementation, Government of India.

- The central scenario assumed by the Company considered peak inflation of 4.2% basis average trendlines of last 3 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 8% and subsequently normalise to around 3.4%.
- For the upside scenario, we believe that there would be certain factors which might come into play viz, base effect, continuously falling WPI, better supply chain management etc, and, as a result, inflation is assumed to well-anchored, stabilising in range of 3.3% to 3.4%. This range represents the lowest inflation rate considered under the upside scenario, and no further downward deviation has been assumed, given structural and policy-related constraints that are likely to prevent inflation from falling meaningfully below this level.

Additionally, the ECL model and its input variables are recalibrated periodically using available incremental and up to date information. However, it is recognised that internal estimates of PD and LGD rates used in the ECL framework may not, at all times, fully capture the rapidly evolving market conditions or external environmental factors prevailing at the reporting date. Accordingly, Management applies qualitative overlays and post model adjustments, where necessary, as temporary measures to appropriately reflect emerging and non linear risks that are not adequately incorporated in the model based estimates.

ECL sensitivity to future economic conditions
ECL coverage of financial instruments under forecast economic conditions

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Gross carrying amount of loans	1,24,475.05	1,00,090.72
Reported ECL on loans	730.00	577.86
Reported ECL coverage	0.59%	0.58%
ECL before adjustment for macro economic factors	700.84	543.86
ECL amounts for alternate scenario		
Central scenario (80%)	722.99	575.66
Downside scenario (10%)	890.38	744.76
Upside scenario (10%)	625.73	428.53
Reported ECL	730.00	577.86
Macro economic overlay	29.16	34.00
ECL coverage ratios by scenario		
Central scenario (80%)	0.58%	0.58%
Downside scenario (10%)	0.72%	0.74%
Upside scenario (10%)	0.50%	0.43%

53. Risk management objectives and policies (Contd.)

(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. 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. This is achieved through determining key process areas, converting these to measurable and quantifiable metrics (KRIs), setting thresholds for KRIs, monitoring and reporting on breaches of the tolerance levels. Corrective actions are initiated to bring back the breached metrics within their acceptable thresholds by conducting the root cause analysis to identify the failure of underlying process, people, systems, or external events, if any.

Further, the Company has comprehensive procedures and controls laid down by respective businesses around various key activities viz. loan acquisition, customer service, IT operations, finance function etc. Company also has a dedicated ORM unit to review and monitor operational risk in coordination with respective business/ functions along with ORM SPOCs identified within each business unit. 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.

54. 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 Companies Act, 2013 subject to the approval of the shareholders. The shareholders of the Company vide their special resolution passed at Extraordinary General Meeting on 24 April 2024 approved the issue of equity shares of the Company under Employee Stock Option Scheme. Subsequently, it was ratified by shareholders vide special resolution passed through postal ballot on 21 December 2024 in line with the requirements of Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021. 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 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
24-Apr-24	54.50	1,67,51,673	35,01,869	1,13,14,938	5,15,305	14,19,561	1,48,16,807
04-Jan-25	126.38	4,86,445	1,60,527	3,25,918	-	-	4,86,445
23-Apr-25	131.16	91,08,697	-	88,49,335	-	2,59,362	88,49,335
Total		2,63,46,815	36,62,396	2,04,90,191	5,15,305	16,78,923	2,41,52,587

Notes to financial statements for the year ended 31 March 2026 (Contd.)

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	1,67,51,673	-	1,60,68,695	-	6,82,978	1,60,68,695
04-Jan-25	126.38	4,86,445	-	4,86,445	-	-	4,86,445
Total		1,72,38,118	-	1,65,55,140	-	6,82,978	1,65,55,140

Weighted average fair value of stock options granted during the year is as follows

	FY 2025-26	FY 2024-25	
Grant date	23-Apr-25	24-Apr-24	04-Jan-25
No. of options granted	91,08,697	1,67,51,673	4,86,445
Weighted average fair value (₹)	55.50	24.54	51.43

Following table depicts range of exercise prices and weighted average remaining contractual life

As on 31 March 2026

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	1,65,55,140	54.5 - 126.38	56.61	6.58
Granted during the year	91,08,697	131.16	131.16	-
Cancelled during the year	9,95,945	54.5 - 131.16	74.46	-
Expired during the year	-	-	-	-
Exercised during the year	5,15,305	54.50	54.50	-
Outstanding at the end of the year	2,41,52,587	54.5 - 131.16	84.04	5.96
Exercisable at the end of the year	36,62,396	54.5 - 126.38	57.65	4.10

The weighted average market price of equity shares for options exercised during the year ended 31 March 2026 is ₹ 119.33

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	1,72,38,118	54.5 - 126.38	56.53	-
Cancelled during the year	6,82,978	54.50	54.50	-
Outstanding at the end of the year	1,65,55,140	54.5 - 126.38	56.61	6.58

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
23-Apr-25	6.08%	3.5 - 6.5 years	36.78%	Nil	131.16	1 to 4 years on SLM basis

Notes to financial statements for the year ended 31 March 2026 (Contd.)

54. Employee stock option plan (Contd.)

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 2026, the Company has accounted expense of ₹ 32.06 crore as employee benefit expenses (note no.34) on the aforesaid employee stock option plan (Previous year ₹ 16.97 crore). The balance in employee stock option outstanding account is ₹ 48.01 crore as of 31 March 2026 (Previous year ₹ 16.97 crore).

(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 2026

Grant date	Exercise price (₹)	Options granted	Options vested and exercisable	Options unvested	Options exercised	Options cancelled	Options outstanding
16-May-19	300.28	13,75,500	2,39,910	-	9,84,680	1,50,910	2,39,910
19-May-20	193.86	25,50,000	7,69,940	-	14,61,800	3,18,260	7,69,940
27-Apr-21	473.66	11,54,460	5,80,440	-	4,27,130	1,46,890	5,80,440
26-Apr-22	700.55	11,78,970	5,73,030	3,23,440	1,55,840	1,26,660	8,96,470
26-Apr-23	607.53	17,72,500	6,31,890	7,36,360	1,98,780	2,05,470	13,68,250
Total		80,31,430	27,95,210	10,59,800	32,28,230	9,48,190	38,55,010

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	300.28	13,75,500	4,05,920	-	8,18,670	1,50,910	4,05,920
19-May-20	193.86	25,50,000	8,88,540	-	13,43,200	3,18,260	8,88,540
27-Apr-21	473.66	11,54,460	4,45,750	2,31,170	3,38,510	1,39,030	6,76,920
26-Apr-22	700.55	11,78,970	4,00,260	5,83,910	1,03,580	91,220	9,84,170
26-Apr-23	607.53	17,72,500	3,43,370	11,88,230	91,080	1,49,820	15,31,600
Total		80,31,430	24,83,840	20,03,310	26,95,040	8,49,240	44,87,150

Following table depicts range of exercise prices and weighted average remaining contractual life:

As on 31 March 2026

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	44,87,150	193.86-700.55	498.03	4.39
Granted during the year	-	-	-	-
Cancelled during the year	98,950	473.65-700.55	630.21	-
Exercised during the year	5,33,190	193.86-700.55	406.72	-
Outstanding at the end of the year	38,55,010	193.86-700.55	507.26	3.52
Exercisable at the end of the year	27,95,210	193.86-700.55	458.48	2.75

The weighted average market price of equity shares for options exercised during the year ended 31 March 2026 is ₹ 933.76.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

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	57,67,250	193.86-700.55	471.26	5.13
Granted during the year	-	-	-	-
Cancelled during the year	1,90,830	473.66-700.55	616.13	-
Exercised during the year	10,89,270	193.86-700.55	335.63	-
Outstanding at the end of the year	44,87,150	193.86-700.55	498.03	4.39
Exercisable at the end of the year	24,83,840	193.86-700.55	400.30	3.17

The weighted average market price of equity shares for options exercised during the year is ₹ 756.64

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%	300.28	1 to 4 years on SLM basis
19-May-20	5.07%	3.5 - 6.5 years	42.95%	0.83%	193.86	1 to 4 years on SLM basis
27-Apr-21	5.65%	3.5 - 6.5 years	42.51%	0.21%	473.66	1 to 4 years on SLM basis
26-Apr-22	6.56%	3.5 - 6.5 years	41.87%	0.29%	700.55	1 to 4 years on SLM basis
26-Apr-23	6.94%	5 years	41.44%	0.33%	607.53	1 to 4 years on SLM basis

For the year ended 31 March 2026, the Company has accounted expense of ₹ 10.03 crore as employee benefit expenses (note no. 34) on the aforesaid employee stock option plan (Previous year ₹ 21.17 crore).

(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%	1,482.64	5 years on SLM basis

For the year ended 31 March 2026, 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)

Notes to financial statements for the year ended 31 March 2026 (Contd.)

55. 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 2026 and 31 March 2025.

56. Disclosures pursuant to RBI Direction - RBI/DOS/2024-25/120 DOS.CO.FMG.SEC.No.7/23.04.001/2024-25, 'Reserve Bank of India Master Directions (MD) on Fraud Risk Management in Non-Banking Financial Companies (NBFCs) (including Housing Finance Companies)' dated 15 July 2024, as amended from time to time.

The Company has reported fraud amounting to ₹ 0.85 crore during the year ended 31 March 2026 (Previous year Nil).

57. Disclosures pursuant to RBI Direction - RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26, 'Reserve Bank of India (Housing Finance Companies) Directions' dated 28 November 2025, as amended from time to time.

(i) Reserve Fund u/s 29C of NHB Act, 1987

Particulars	(₹ in crore)	
	As at 31 March	
	2026	2025
Balance at the beginning 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
Addition / Appropriation / Withdrawal during the year		
Add:		
(a) Amount transferred u/s 29C of the NHB Act, 1987	152.07	132.58
(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	360.00	300.00
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	700.35	548.28
(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	1,185.40	825.40
Total	1,908.41	1,396.34

(ii) 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.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

58. Disclosure pertaining to Resolution Framework for COVID-19 related stress and resolution framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses to read with Reserve Bank of India (Non-Banking Financial Companies - Resolution of Stressed Assets) Directions dated 28 November 2025
For the half year ended 30 September 2025

(₹ 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 2025 (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 2025
	(A)	(B)	(C)	(D)	(E)
Personal Loans	221.93	3.65	0.04	17.45	200.83
Corporate persons	1.53	-	-	0.06	1.47
Of which, MSMEs	0.35	-	-	0.01	0.34
Others	1.18	-	-	0.05	1.13
Total	223.46	3.65	0.04	17.51	202.30

For the half year ended 31 March 2026

(₹ 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 2025 (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 2026
	(A)	(B)	(C)	(D)	(E)
Personal Loans	200.83	3.07	-	16.72	181.04
Corporate persons	1.47	-	-	0.25	1.22
Of which, MSMEs	0.34	-	-	0.18	0.16
Others	1.13	-	-	0.07	1.06
Total	202.30	3.07	-	16.97	182.26

[§] Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans.

[#] represents debt that slipped into stage 3 and was written off during the half-year.

* represents receipts net of interest accruals and drawdown, if any.

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

Notes to financial statements for the year ended 31 March 2026 (Contd.)

58. Disclosure pertaining to Resolution Framework for COVID-19 related stress and resolution framework - 2.0: Resolution of Covid-19 related stress of Individuals and Small Businesses to read with Reserve Bank of India (Non-Banking Financial Companies - Resolution of Stressed Assets) Directions dated 28 November 2025 (Contd.)

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 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 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

[§] Includes restructuring implemented pursuant to OTR 2.0 for personal loans, individual business loans and small business loans.

[#] represents debt that slipped into stage 3 and was written off during the half-year.

* represents receipts net of interest accruals and drawdown, if any.

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time

59.1 Loans against gold and silver collateral

The Company has not granted any loans against collateral of gold and silver in current year and previous year.

59.2 Project finance

In accordance with the Reserve Bank of India (Non-Banking Financial Companies - Resolution of Stressed Assets) Directions 28 November 2025, no resolution plans have been implemented during the period ended 31 March 2026 in projects financed on or after 1 October 2025.

59.3 Details of Co-lending arrangements (CLAs)

In accordance with the Reserve Bank of India (Non-Banking Financial Companies - Transfer and Distribution of Credit Risk) Directions dated 28 November 2025, the relevant provisions of Co-lending arrangements are effective from 1 January 2026. The Company has not entered into new Co-lending arrangements on/ after 1 January 2026.

59.4 Securitisation

(₹ in crore, unless otherwise stated)

S. N.	Particulars	As at 31 March	
		2026	2025
1.	No. of SPEs holding assets for securitisation transactions originated by the originator	1	-
2.	Total amount of securitised assets as per books of the SPEs	73.68	-
3.	Total amount of exposures retained by the originator to comply with MRR as on the date of Balance Sheet		
	a) Off Balance Sheet exposures		
	• First Loss	-	-
	• Others	-	-
	b) On Balance Sheet exposures		
	• First Loss	8.21	-
	• Others	-	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

(₹ in crore, unless otherwise stated)

S. N.	Particulars	As at 31 March	
		2026	2025
4.	Amount of exposures to securitisation transactions other than MRR		
	a) Off Balance Sheet exposures		
	i) Exposure to own securitisations		
	• First Loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First Loss	-	-
	• Others	-	-
	b) On Balance Sheet exposures		
	i) Exposure to own securitisations		
	• First Loss	-	-
	• Others	-	-
	ii) Exposure to third party securitisations		
	• First Loss	-	-
	• Others	-	-
5.	Sale consideration received for the securitised assets	91.20	-
	Gain/ loss on sale on account of securitisation	-	-
6.	Form and quantum (outstanding value) of services provided by way of		
	• Liquidity Support	-	-
	• Post securitisation asset servicing	-	-
7.	Performance of facility provided		
	i) Credit Enhancement (Equity Tranche + FLCC)		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	8.21	-
	ii) Liquidity Support		
	a) Amount paid	-	-
	b) Repayment received	-	-
	c) Outstanding amount	-	-
	iii) Servicing agent		
	a) Amount paid	0.12	-
	b) Repayment received	0.10	-
	c) Outstanding amount		
8.	Average default rate of portfolios observed in the past*		
	a) Loan Against Property	-	-
9.	Amount and number of additional/ top up loan given on same underlying asset		
	a) No of additional loans	3	-
	b) Sanctioned amount	2.97	-
10.	Investor complaints		
	a) Directly/ Indirectly received; and	-	-
	b) Complaints outstanding	-	-

*Represents % of amount outstanding of NPA accounts to total outstanding of the portfolio transferred as on 31 March 2026.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

59.5 Transfer of loan exposure

(a) Details of loans (not in default) transferred through assignment

Particulars	FY 2025-26		FY 2024-25	
Retention of beneficial economic interest (MRR)*	1%	10%	1%	10%
Number of accounts assigned through direct assignment	68	7,977	1,654	5,877
Amount of loan account assigned (₹ in crore)	3,645.28	2,021.34	3,361.66	2,225.52
Weighted average residual maturity (in months)	146.58	164.73	148.27	146.98
Weighted average holding period (in months)	20.40	14.96	17.60	16.59
Coverage of tangible security	100%	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

* Retained by the originator

(b) Details of loans (not in default) acquired through assignment

Particulars	FY 2025-26		FY 2024-25	
Beneficial economic interest acquired *	90%	80%	90%	80%
Number of accounts acquired through direct assignment	18,623	9	34,040	1
Amount of loan account acquired (₹ in crore)	2,744.17	23.77	4,447.63	2.98
Weighted average residual maturity (in months)	216.52	162.83	225.24	172.00
Weighted average holding period (in months)	17.32	11.72	19.72	22.48
Coverage of tangible security	100%	100%	100%	100%
Rating-wise distribution of rated loans	Unrated	Unrated	Unrated	Unrated

* Acquired by the assignee

(c) Stressed loans transferred or acquired

- No stressed loans were acquired during the current year and previous year.
- Stressed loans transferred

Particulars	To ARCs			
	FY 2025-26		FY 2024-25	
	NPA	SMA	NPA	SMA
Number of accounts	593	-	-	-
Aggregate principal outstanding of loans transferred (₹ in crore)	57.16	-	-	-
Weighted average residual tenor of the loans transferred (in years)	229.04	-	-	-
Net book value of loans transferred (at the time of transfer) (₹ in crore)	20.75	-	-	-
Aggregate consideration (₹ in crore)	30.86	-	-	-
Excess provision reversed to the Profit and Loss Account on account of sale	10.11	-	-	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59.6 Particulars of resolution plan and restructuring

(₹ in crore)

Asset Classification	As at 31 March 2026		As at 31 March 2025	
	Amount Outstanding	Impairment loss allowance	Amount Outstanding	Impairment loss allowance
Standard	-	-	-	-
Substandard	12.56	4.76	4.13	1.71
Doubtful	28.09	14.56	29.16	13.47
Total	40.65	19.32	33.29	15.18

59.7 Exposure

(i) Exposure to real estate sector

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
i) Direct exposure		
(a) Residential mortgages -		
Lending fully secured by mortgages on residential property that is or will be occupied by the borrower or that is rented.	90,926.76	65,780.41
(b) 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.).	63,226.49	33,811.74
(c) Investments in Mortgage Backed Securities (MBS) and other securitised exposures -		
a) Residential	-	-
b) Commercial real estate	-	-
ii) 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*	1,54,153.25	99,592.15

* Exposure includes undrawn loan commitment towards partially disbursed / sanctioned but not disbursed.

In addition to above, the Company has loan exposure amounting ₹ 4,892.17 crore as on 31 March 2026 (Previous year ₹ 3,977.40 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.

(ii) Exposure to capital market

The Company did not have any exposure to capital market during the current year and previous year.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

(iii) Sectoral Exposure

Sector	Type of Loan	As at 31 March 2026			As at 31 March 2025		
		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	7.88	0.59	7.49%	9.86	0.18	1.83%
Industries	Loan against property	3,078.91	36.83	1.20%	1,749.00	10.57	0.60%
Services	Commercial real estate (including CRE-RH)	60,486.42	7.27	0.01%	33,423.09	7.09	0.02%
	Loan against property-professionals	863.83	2.10	0.24%	512.54	3.24	0.63%
	Loan against property-others	6,521.51	9.86	0.15%	4,468.22	39.98	0.89%
	Total of Services	67,871.76	19.23	0.03%	38,403.85	50.31	0.13%
Personal loans	Housing loans (including Top-up)	87,027.93	251.37	0.29%	62,418.38	206.24	0.33%
	Loan against property	1,058.94	2.98	0.28%	988.47	3.26	0.33%
	Total of Personal loans	88,086.87	254.35	0.29%	63,406.85	209.50	0.33%
Others	Unsecured loans	1,759.94	19.17	1.09%	1,763.83	16.44	0.93%
Total		1,60,805.36	330.17	0.21%	1,05,333.39	287.00	0.27%

*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.

(iv) Intra-group exposure

The Company did not have any Intra-group exposures during the current year and previous year.

(v) Unhedged foreign currency exposure

The Company did not have unhedged foreign currency exposure during the current year and previous year.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

59.8 Related Party Disclosure

Related Party	Parent		Fellow Subsidiary		Associates of Holding Company		Directors		Key Management Personnel (KMP)		Relatives of KMP		Others		Total	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Items																
Balance Sheet																
Borrowings																
Outstanding at the year end	-	(200.00)	(2,400.00)	(2,052.00)	-	-	-	-	-	-	-	-	(50.00)	(50.00)	(2,450.00)	(2,302.00)
Maximum during the year	(200.00)	(400.00)	(2,400.00)	(2,052.00)	-	-	-	-	-	-	-	-	(50.00)	(75.00)	(2,650.00)	(2,527.00)
Deposits																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Advances																
Outstanding at the year end	-	-	7.25	4.72	-	-	-	-	-	-	-	-	-	-	7.25	4.72
Maximum during the year	-	-	7.03	5.42	-	-	-	-	-	-	-	-	8.50	-	15.53	5.42
Investments																
Outstanding at the year end	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maximum during the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contribution to Equity Share Capital	(7,224.40)	(7,391.00)													(7,224.40)	(7,391.00)
Other payables	(0.87)	(0.73)	-	(0.13)	-	-	(10.07)	(7.51)	(0.99)	(0.62)	-	-	-	-	(11.93)	(8.99)
Other receivables	0.12	1.98	5.93	3.79	-	-	-	-	-	-	-	-	0.22	0.03	6.27	5.80
Transactions during the year																
Purchase of fixed assets	0.43	0.02	0.15	-	-	-	-	-	-	-	-	-	-	-	0.58	0.02
Sale of fixed assets	0.74	0.93	-	-	-	-	-	-	-	-	-	-	-	-	0.74	0.93
Borrowings	-	-	248.00	217.00	-	-	-	-	-	-	-	-	-	-	248.00	217.00
Borrowings repaid	200.00	200.00	-	-	-	-	-	-	-	-	-	-	-	-	200.00	225.00
Interest paid	15.85	27.25	161.26	104.21	-	-	-	-	-	-	-	-	4.05	2.08	181.16	133.54
Others																
Business support charges paid	3.87	4.75	-	-	-	-	-	-	-	-	-	-	4.77	4.14	8.64	8.89
Business support charges received	0.33	0.55	-	-	-	-	-	-	-	-	-	-	-	-	0.33	0.55
Commission income	-	-	62.76	26.24	-	-	-	-	-	-	-	-	-	-	62.76	26.24

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies - Financial Statements: Presentation and Disclosures) Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

Related Party	Parent		Fellow Subsidiary		Associates of Holding Company		Directors		Key Management Personnel (KMP)		Relatives of KMP		Others		Total	
	As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March		As at 31 March	
	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025	2026	2025
Items																
Equity contribution received (including premium)	-	2,000.00	-	-	-	-	-	-	-	-	-	-	-	-	-	2,000.00
Digital advertisement charges received	-	-	4.13	3.08	-	-	-	-	-	-	-	-	-	-	-	4.13
Servicing fee received	25.42	34.77	-	-	-	-	-	-	-	-	-	-	-	-	25.42	34.77
Direct assignment of loan portfolio	3,645.28	3,361.67	-	-	-	-	-	-	-	-	-	-	-	-	3,645.28	3,361.67
ESOP recharge	10.68	21.82	-	-	-	-	-	-	-	-	-	-	-	-	10.68	21.82
Rent income	0.23	0.22	-	-	-	-	-	-	-	-	-	-	-	-	0.23	0.22
Insurance expense	-	-	4.13	4.85	-	-	-	-	-	-	-	-	-	-	4.13	4.85
Sitting fees	-	-	-	-	-	-	1.55	1.47	-	-	-	-	-	-	1.55	1.47
Commission	-	-	-	-	-	-	2.72	2.94	-	-	-	-	-	-	2.72	2.94
Short term employee benefit	-	-	-	-	-	-	19.88	16.37	3.87	3.25	-	-	-	-	23.75	19.62
Share based payment	-	-	-	-	-	-	12.66	11.87	1.19	1.11	-	-	-	-	13.85	12.98
Rent expense	-	-	-	-	-	-	-	-	-	-	-	0.33	0.06	-	0.33	0.06
Information technology design and development charges	-	-	0.96	0.37	12.95	10.62	-	-	-	-	-	-	-	-	13.91	10.99
Services received	-	-	-	-	-	-	-	-	-	-	-	-	3.29	4.30	3.29	4.30
Manpower supply services	-	-	-	-	-	-	-	-	-	-	-	-	86.91	104.06	86.91	104.06
Company's contribution towards NPS	-	-	1.83	1.44	-	-	-	-	-	-	-	-	-	-	1.83	1.44
Servicing fee paid	6.09	7.66	-	-	-	-	-	-	-	-	-	-	-	-	6.09	7.66
Reimbursement of offer expenses pursuant to Initial Public Offer of the Company.	-	23.12	-	-	-	-	-	-	-	-	-	-	-	-	-	23.12
Commission received	-	-	-	19.98	-	-	-	-	-	-	-	-	-	-	-	19.98
Fees and commission paid	6.31	5.68	1.98	2.32	-	-	-	-	-	-	-	-	-	-	8.29	8.00
Sourcing commission received	-	0.16	-	-	-	-	-	-	-	-	-	-	-	-	-	0.16
Security deposit (paid)	-	-	-	-	-	-	-	-	-	-	-	-	0.19	-	0.19	-

Amount in bracket denotes credit balance.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59.9 Disclosure of complaints**(i) Summary information on complaints received from customers and from the Offices of Ombudsman***

Particulars	For the year ended 31 March	
	2026	2025
Complaints received from its customers		
(a) Number of complaints pending at beginning of the year	-	-
(b) Number of complaints received during the year	292	197
(c) Number of complaints disposed during the year	292	197
- 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 160 (Previous year 132)

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 2026**

Grounds of complaints	Number of complaints pending as at 1 April 2025	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 2026	Number of complaints pending beyond 30 days as at 31 March 2026
1 Foreclosure and ROI related	-	108	145%	-	-
2 Levy of charges related	-	41	8%	-	-
3 Insurance/VAS related	-	33	22%	-	-
4 Collection related	-	31	19%	-	-
5 List of Documents related	-	27	108%	-	-
6 Others	-	52	2%	-	-
Total	-	292		-	-

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%)	-	-
Total	-	197		-	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

59.10 Loans to Directors, Senior Officers and relatives of Directors

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
Directors and their relatives	-	-
Entities associated with directors and their relatives	-	-
Senior officers and their relatives*	19.30	18.61

* The above amount represents loans sanctioned in respective financial year.

59.11 Currency futures

The Company has not undertaken any transaction in currency future market during the current year and previous year.

59.12 Liquidity

(i) Funding concentration based on significant counterparty (both deposits and borrowings)

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
(i) Number of significant counterparties	23	20
(ii) Amount (in ₹ crore)	82,639.06	65,934.54
(iii) Percentage of funding concentration to total deposits [#]	NA	NA
(iv) Percentage of funding concentration to total liabilities ⁺	78.99%	79.57%

[#] Total public deposits.

⁺ Total liabilities are excluding equity share capital and other equity.

(ii) Top 20 large deposits

This disclosure is not applicable to the Company, being non deposit taking HFC.

(iii) Top 10 borrowings

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
(i) Total amount of top 10 borrowings	62,298.13	51,319.24
(ii) Percentage of amount of top 10 borrowings to total borrowings	60.07%	62.53%

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 2026 (Contd.)

(iv) Funding concentration based on significant instrument/product

Particulars	(₹ in crore)		(₹ in crore)	
	As at 31 March 2026	Percentage of total liabilities ⁺	As at 31 March 2025	Percentage of total liabilities ⁺
(i) Non-convertible debentures	45,470.92	43.46%	37,524.56	45.29%
(ii) Loans from bank*	42,301.20	40.43%	33,696.28	40.67%
(iii) Loans from NHB	10,340.88	9.88%	8,372.40	10.10%
(iv) Commercial paper	5,543.79	5.30%	2,241.14	2.70%
(v) Deposits (Inter Corporate Deposits)	47.20	0.05%	37.61	0.05%
(vi) Triparty repo dealing and settlement (TREPs) against Government securities	-	0.00%	199.93	0.24%

*Includes associated liabilities in respect of securitisation transactions (net of investment).

+ Total liabilities are excluding equity share capital and other equity.

(v) Stock ratios

Particulars	As at 31 March	
	2026	2025
(i) Commercial paper as a percentage of total public funds*	5.35%	2.73%
(ii) Commercial paper as a percentage of total liabilities ⁺	5.30%	2.70%
(iii) Commercial paper as a percentage of total assets	4.36%	2.18%
(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*#	19.87%	21.53%
(viii) Other short term liabilities as a percentage of total liabilities ^{#+}	19.69%	21.32%
(ix) Other short term liabilities as a percentage of total assets [#]	16.20%	17.19%

+ 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 within 12 months of bank loan, NCDs and other liabilities(excl. CPs).

(vi) 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. 53.

59.13 Credit default swaps

The Company has not entered into any credit default swap during the current and previous year.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

59.14 Comparison between provisions required under Income Recognition, asset classification and provisioning (IRACP) and impairment allowances as per Ind AS 109 'Financial Instruments'

As at 31 March 2026

(₹ 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	1,23,691.78	400.75	1,23,291.03	638.24	(237.49)
	Stage 2	453.10	131.89	321.21	3.58	128.31
Subtotal (a)		1,24,144.88	532.64	1,23,612.24	641.82	(109.18)
(b) Non-Performing Assets (NPA)						
(i) Substandard	Stage 3	198.97	98.31	100.66	29.85	68.46
(ii) Doubtful up to:						
1 year	Stage 3	59.73	45.40	14.33	18.82	26.58
1 to 3 years	Stage 3	57.62	44.18	13.44	27.11	17.07
More than 3 years	Stage 3	13.85	9.47	4.38	13.85	(4.38)
Subtotal (ii)		131.20	99.05	32.15	59.78	39.27
(iii) Loss	Stage 3	-	-	-	-	-
Subtotal (b)		330.17	197.36	132.81	89.63	107.73
(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	36,806.20	48.34	36,757.86	-	48.34
	Stage 2	-	-	-	-	-
	Stage 3	-	-	-	-	-
Subtotal (c)		36,806.20	48.34	36,757.86	-	48.34
	Stage 1	1,60,497.98	449.09	1,60,048.89	638.24	(189.15)
	Stage 2	453.10	131.89	321.21	3.58	128.31
	Stage 3	330.17	197.36	132.81	89.63	107.73
Total (a+b+c)		1,61,281.25	778.34	1,60,502.91	731.45	46.89

As at 31 March 2025

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	1,05,114.00	367.09	1,04,746.91	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)		1,05,721.65	611.35	1,05,110.30	564.91	46.44

* Computed on the value as per the IRACP norms.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59.15 Summary of significant accounting policies

Refer note no. 2 and 3.

59.16 Capital

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
(i) CRAR (%)	22.46%	28.24%
(ii) CRAR Tier I capital (%)	22.01%	27.72%
(iii) CRAR Tier II capital (%)	0.45%	0.52%
(iv) Amount of subordinated debt raised as Tier- II Capital	-	-
(v) Amount raised by issue of Perpetual Debt instruments	-	-

59.17 Investments

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Value of investments		
(i) Gross value of investments		
(a) In India	2,510.44	2,515.88
(b) Outside India	-	-
(ii) Provisions / Fair value gain / (loss) for (depreciation) / appreciation*		
(a) In India	(8.23)	17.44
(b) Outside India	-	-
(iii) Net value of investments		
(a) In India	2,502.21	2,533.32
(b) Outside India	-	-
Movement of provisions held towards (depreciation) / appreciation on investments		
(i) Opening balance	17.44	0.36
(ii) Add: Provisions made during the year (Net of appreciation) / Fair value gain/ (loss)	(25.67)	17.08
(iii) Less: Write-off / Written-back of excess provisions during the year	-	-
(iv) Closing balance	(8.23)	17.44

* Represents unrealised gain due to fair value change.

59.18 Derivatives
Forward Rate Agreement (FRA) / Interest Rate Swap (IRS)

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
(i) The notional principal of swap agreements*	3,500.00	2,350.00
(ii) Losses which would be incurred if counterparties failed to fulfil their obligations under the agreements	(61.58)	41.22
(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)	(61.58)	41.22

* As a part of Interest rate risk management, the Company has entered into INR interest rate swaps of a notional amount of ₹ 3,500 crore during the year ended 31 March 2026 (Previous year ₹ 500 crore). The total outstanding as on 31 March 2026 is ₹ 3,500 crore (Previous year ₹ 2,350 crore).

** Concentration arising from SWAP is with Banks.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

Exchange Traded Interest Rate (IR) Derivative

The Company has not entered into any exchange traded derivative during the current and previous year.

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 risk 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 and 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/ losses, 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 loss of ₹ 61.58 crore on outstanding interest rate swap book.

B. Quantitative disclosure - interest rate derivatives

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
(i) Derivatives (Notional principal amount)	3,500.00	2,350.00
(ii) Market to Market positions		
(a) Assets (+)	-	41.22
(b) Liability (-)	61.58	-
(iii) Credit exposure	-	41.22
(iv) Unhedged exposures	-	-

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59.19 Assets Liability Management (Maturity pattern of certain items of assets and liabilities) as at 31 March 2026

(₹ in crore)

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 months up to 3 months	Over 3 months and to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up to 5 years	Over 5 years	Total
Liabilities											
Borrowings from bank/TREPS/PTC	-	-	201.98	516.69	2,321.86	2,311.26	5,373.51	18,545.86	11,421.53	1,608.51	42,301.20
Deposits (ICD)	-	-	8.57	2.60	6.25	0.60	12.12	-	17.06	-	47.20
NHB refinance	-	-	-	-	-	380.11	760.22	3,040.87	2,776.97	3,382.71	10,340.88
Market borrowing	-	110.03	36.58	4,098.94	1,874.97	2,185.96	5,208.04	18,162.28	6,487.92	12,849.99	51,014.71
Foreign currency liabilities	-	-	-	-	-	-	-	-	-	-	-
Assets											
Advances	1,402.99	553.73	1,447.84	2,730.08	2,636.87	7,561.51	13,433.03	37,949.28	21,884.85	34,144.87	1,23,745.05
Investments*	8.18	-	30.19	4.14	6.64	68.63	2,388.16	0.07	-	-	2,506.01
Foreign currency assets	-	-	-	-	-	-	-	-	-	-	-

Maturity pattern of assets have been shown based on behavioural pattern.

*Investments includes fixed deposits of ₹ 3.80 crore shown under 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 2025

Particulars	1 to 7 days	8 to 14 days	15 days to 30/31 days	Over one month up to 2 months	Over 2 months up to 3 months	Over 3 months and to 6 months	Over 6 months and up to 1 year	Over 1 year and up to 3 years	Over 3 years and up 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 6 - Bank balances other than cash and cash equivalents to the financial statements.

59.20 Exposure
(i) Details of financing of Parent Company products

The Company does not have any financing of Parent Company products during the current and previous year.

(ii) 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.

(iii) Unsecured Advances

The Company has unsecured advances net of ECL of ₹ 2,249.35 crore (Previous year ₹ 1,982.14 crore) which includes advances net of ECL of ₹ 546.33 crore (Previous year ₹ 266.84 crore) secured against intangible assets.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

59.21 Breach of covenants

There were no breach of covenants of loans availed or debt securities issued in current year and previous year.

59.22 Divergence in asset classification and provisioning

No disclosure on divergence in asset classification and provisioning for NPAs is required with respect to NHB's supervisory inspection for the year ended 31 March 2025 and for the year ended 31 March 2024.

59.23 Registration 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.

59.24 Area of operation

The Company is domiciled as well as has its operations in India.

59.25 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	
				2026	2025
India Ratings	Non-convertible debenture and subordinated debt	IND AAA/Stable	NIL	25,000.00	25,000.00
	Long-term bank rating/ Short-term bank rating	IND AAA (Stable) / IND A1+	NIL	65,000.00	65,000.00
	Commercial paper	IND A1+	NIL	9,000.00	9,000.00
CRISIL	Non-convertible debenture	CRISIL AAA/Stable	NIL	64,607.50	49,187.80
	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	9,000.00

59.26 Remuneration of Non-executive Directors

(₹ in crore)

Particulars	For the year ended 31 March	
	2026	2025
1. Sanjiv Bajaj	0.51	0.57
2. Rajeev Jain	0.92	0.99
3. Anami N Roy	0.79	0.81
4. Dr. Arindam Bhattacharya	0.72	0.93
5. S M Narasimha Swamy	0.48	0.33
6. Jasmine Chaney	0.82	0.78
7. Ajay Kumar Choudhary	0.03	-

Note: It comprises of commission and sitting fees.

59.27 Net profit or loss for the period, prior period items and changes in accounting policies

There are no prior period items which are impacting Company's current year Profit and Loss. There is no change in accounting policies during the current year and previous year.

59.28 Revenue Recognition

There are no such circumstances in which revenue has been postponed pending the resolution of significant uncertainties.

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59.29 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	
	2026	2025
1. Provisions for depreciation on investment	-	-
2. Provision made towards Income tax/deferred tax and tax adjustments of earlier years	759.68	607.33
3. Provision towards NPA / impairment loss allowance on stage 3 assets	24.44	35.48
4. Provision for Standard Assets / impairment loss allowance on stage 1 and 2	127.70	18.21
5. Provision for employee benefits	9.76	8.07
6. Other provision and contingencies	14.85	4.19

59.30 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.

59.31 Concentration of deposits, advances, exposures and NPAs

(i) Concentration of deposits (for deposit taking NBFC)

The Company is non-public deposit taking housing finance company, hence not applicable.

(ii) Concentration of advances

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Total advances to twenty largest borrowers	11,108.18	7,766.56
Percentage of advances to twenty largest borrowers to total advances of the HFC	8.92%	7.76%

(iii) Concentration of all exposure (including off-balance sheet exposure)

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Total exposure to twenty largest borrowers / customers	15,060.90	9,516.92
Percentage of exposures to twenty largest borrowers / customers to total exposure of the HFC on borrowers / customers	9.37%	7.57%

(iv) Concentration of NPAs

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
Total exposure to top four NPA accounts	15.14	16.22

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

59.32 Movement of NPAs

Particulars	(₹ in crore)	
	For the year ended 31 March	
	2026	2025
(I) Net NPAs to net advances (%)	0.11%	0.11%
(II) Movement of NPAs (Gross)		
(a) Opening balance	287.00	215.61
(b) Additions during the year	214.51	193.24
(c) Reductions during the year	171.34	121.85
(d) Closing balance	330.17	287.00
(III) Movement of net NPAs		
(a) Opening balance	114.08	78.17
(b) Additions during the year	107.57	99.18
(c) Reductions during the year	88.84	63.27
(d) Closing balance	132.81	114.08
(IV) Movement of provisions for NPAs (excluding provisions on standard assets)		
(a) Opening balance	172.92	137.44
(b) Provisions made during the year	106.94	94.06
(c) Write-off/write-back of excess provisions	82.50	58.58
(d) Closing balance	197.36	172.92

59.33 Overseas assets

The Company has not held any overseas assets as on reporting date (Previous year ₹ Nil).

59.34 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.

59.35 Off-balance sheet exposures and structured products

Refer note no. 44 for off-balance sheet exposure. The Company has not issued any structured product during the current and previous year.

59.36 Liquidity Coverage Ratio (LCR)

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 are 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)

Notes to financial statements for the year ended 31 March 2026 (Contd.)

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.

Quarter on quarter LCR for the year ended 31 March 2026

(₹ in crore)

	Q1 FY26		Q2 FY26		Q3 FY26		Q4 FY26	
	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)	2,723.28	2,687.76	3,022.87	2,980.86	2,460.39	2,452.58	3,164.48	3,164.48
Cash Outflows								
2. Deposits (for deposit taking Companies)								
3. Unsecured wholesale funding	672.61	773.50	597.39	687.00	1,153.42	1,326.43	867.89	998.07
4. Secured wholesale funding	1,403.36	1,613.87	2,088.49	2,401.76	1,286.52	1,479.50	2,779.73	3,196.69
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#	2,363.64	2,718.20	3,214.24	3,696.38	3,390.47	3,899.05	3,886.43	4,469.40
7. Other contingent funding obligations	-	-	-	-	-	-	-	-
8. TOTAL CASH OUTFLOWS	4,439.61	5,105.57	5,900.12	6,785.14	5,830.41	6,704.98	7,534.05	8,664.16
Cash Inflows								
9. Secured lending	-	-	-	-	-	-	-	-
10. Inflows from fully performing exposures	979.84	734.88	1,083.04	812.28	1,148.62	861.47	1,210.47	907.85
11. Other cash inflows*	6,579.55	4,934.67	8,565.15	6,423.86	6,811.14	5,108.35	9,162.04	6,871.53
12. TOTAL CASH INFLOWS	7,559.39	5,669.55	9,648.19	7,236.14	7,959.76	5,969.82	10,372.51	7,779.38
	Total adjusted value		Total adjusted value		Total adjusted value		Total adjusted value	
13. TOTAL HQLA		2,687.76		2,980.86		2,452.58		3,164.48
14. TOTAL NET CASH OUTFLOWS		1,276.39		1,696.28		1,676.24		2,166.04
15. LIQUIDITY COVERAGE RATIO (%) (13/14)		210.57%		175.73%		146.31%		146.10%
16. NHB requirement (%)		100.00%		100.00%		100.00%		100.00%
17. NHB Requirement Amount		1,276.39		1,696.28		1,676.24		2,166.04
**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	2,486.49	2,486.49	2,742.88	2,742.88	2,408.29	2,408.29	3,164.48	3,164.48
2. Assets to be considered for HQLA with a minimum haircut of 15%	236.79	201.27	279.99	237.99	52.10	44.28	-	-
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	2,723.28	2,687.76	3,022.87	2,980.87	2,460.39	2,452.57	3,164.48	3,164.48

Notes to financial statements for the year ended 31 March 2026 (Contd.)

59. Disclosures pursuant to RBI Direction - RBI/DOR/2025-26/359 DOR.ACC.REC.No.278/21.04.018/2025-26, 'Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures Directions, 2025' dated 28 November 2025, as amended from time to time (Contd.)

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

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 2026 (Contd.)

59.37 Currency Options

The Company has not undertaken any transaction in currency options market during the current year and previous year.

59.38 Policy for sales out of amortised cost business model portfolios

Refer Note No. 3.3(i) (a).

- 60.** Amounts less than ₹ 50,000 have been shown at actual against respective line items which are statutorily required to be disclosed.
- 61.** 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

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

Ravi Kapoor
Partner
Membership No.: 040404

Saurabh Chitale
Partner
Membership No.: 111383

Gaurav Kalani
Chief Financial Officer

Rajeev Jain
Vice Chairman
DIN: 01550158

Pune: 27 April 2026

Atul Patni
Company Secretary
FCS: F10094

Anami N Roy
Director
DIN: 01361110

Annexure (Forming part of financial statements)

Schedule to the Balance Sheet

As required in terms of Reserve Bank of India (Non-Banking Financial Companies – Financial Statements: Presentation and Disclosures) Directions, 2025, RBI/DOR/2025-26/359 DOR.ACC. REC.No.278/21.04.018/2025-26 dated 28 November 2025

Particulars	(₹ in crore)			
	Amount outstanding as at 31 March 2026	Amount overdue as at 31 March 2026	Amount outstanding as at 31 March 2025	Amount overdue as at 31 March 2025
Liabilities side				
1 Loans and advances availed by the HFC inclusive of interest accrued thereon but not paid				
(a) Debentures				
Secured	43,657.89	-	36,001.63	-
Unsecured	1,813.03	-	1,522.93	-
(other than falling within the meaning of public deposits*)				
(b) Deferred credits	-	-	-	-
(c) Term loans	51,243.80	-	41,265.03	-
(d) Inter-corporate loans and borrowing	47.20	-	37.61	-
(e) Commercial paper	5,543.79	-	2,241.14	-
(f) Public deposits (As defined in Paragraph 10(17) of RBI Master Direction - RBI/DoR/2025-26/365 DoR.FIN.REC.284/03-10-119/2025-26, 'Reserve Bank of India (Housing Finance Companies) Directions, 2025', as amended from time to time)	-	-	-	-
(g) Other loans (TREPs, cash credit and working capital demand loan, Associated liabilities in respect of securitisation transactions)	1,398.28	-	1,003.58	-
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	
	2026	2025
Assets side		
3 Break-up of loans and advances including bills receivables [other than those included in (4) below]		
(a) Secured	1,21,495.70	97,530.72
(b) Unsecured	2,249.35	1,982.14
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.)

Particulars	Amount outstanding as at 31 March	
	2026	2025
5 Break-up of Investments		
Current Investments		
1 Quoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	1.53	1.19
(iv) Government securities	28.66	1,220.26
(v) Others (please specify)	-	-
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	2,472.02	1,311.87
(v) Others (please specify)	-	-
2 Unquoted		
(i) Shares		
(a) Equity	-	-
(b) Preference	-	-
(ii) Debentures and bonds	-	-
(iii) Units of mutual funds	-	-
(iv) Government securities	-	-
(v) Others (please specify)	-	-

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 2026		
	Secured	Unsecured	Total
1 Related parties			
(a) Subsidiaries	-	-	-
(b) Companies in the same group	-	-	-
(c) Other related parties	-	-	-
2 Other than related parties	1,21,495.70	2,249.35	1,23,745.05
	1,21,495.70	2,249.35	1,23,745.05
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

Annexure (Forming part of financial statements) (Contd.)

Schedule to the Balance Sheet (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 2026	
	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	2,502.21	2,502.21
	2,502.21	2,502.21

(₹ 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

8 Other information

(₹ in crore)

Particulars	As at 31 March	
	2026	2025
(i) Gross non-performing assets		
(a) Related parties	-	-
(b) Other than related parties	330.17	287.00
(ii) Net non-performing assets*		
(a) Related parties	-	-
(b) Other than related parties	132.81	114.08
(iii) Assets acquired in satisfaction of debt	-	-

* Provision for ECL Stage 3 has been considered.



A CENTURY OF PURPOSE-LED GROWTH. A FUTURE FULL OF POSSIBILITIES.

For a hundred years, the Bajaj Group has stood at the intersection of enterprise and nation-building—guided by a simple yet powerful belief '**Kathni Karni Ek Si**', where conviction and action are one.

From its early beginnings in Wardha to becoming a trusted name across the world, the Group's journey has been shaped by purpose, integrity, and an enduring commitment to society. Each generation has carried this legacy forward—not just in what the Group builds, but in how it builds it.

As the Bajaj Group marks this centennial milestone, it celebrates not only a rich past, but also a future filled with renewed responsibility and possibility. A future where the Bajaj legacy continues to grow, evolve, and echo the voice of India.

Bajaj Housing Finance Limited

Regd. Office: Bajaj Auto Limited Complex,
Mumbai - Pune Road, Akurdi, Pune - 411 035, Maharashtra, India.
Tel: +91 20 7187 8060 | www.bajajhousingfinance.in